Daily Report

Central Eurasia

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FBIS-SOV-96-052 *15 March 1996*

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Russia: Yeltsin Opens Security Council Meeting on Chechnya

LD1503140896 Moscow INTERFAX in English 1346 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW, March 15 (Interfax) — The Russian Security Council's commission has drawn up a program for Chechen settlement, President Boris Yeltsin said Friday when opening a meeting of the Security Council.

The commission, formed by the previous Council meeting, has thoroughly analyzed the remarks and proposals of Council members and created "a program with due account of these remarks," said the president.

Yeltsin said he will not make a report, but will listen to new proposals and remarks by Security Council members.

The meeting is attended by Prime Minister Viktor Chernomyrdin, Security Council Secretary Oleg Lobov, Defense Minister Pavel Grachev, Interior Minister Anatoliy Kulikov, Minister of Finance Vladimir Panskov, Director of the Federal Security Service Mikhail Barsukov, Minister of Justice Valentin Kovalev, Director of the Federal Border Service Andrey Nikolayev, Minister for Emergency Situations Sergey Shoygu, head of the Foreign Intelligence Service Vyacheslav Trubnikov, Minister of Nationalities Vyacheslav Mikhailov, First Deputy Prime Minister Oleg Soskovets, Head of the Chechen Republic Doku Zavgayev, head of the working group for crisis settlement Emil Pain, head of the presidential staff Nikolay Yegorov, first presidential adviser Viktor Ilyushin and presidential advisers Yuriy Baturin and Mikhail Krasnov.

Russia: Dudayev Claims Raduyev Alive, Active

MM1403213996 Moscow TRUD-7 in Russian 15-21 Mar 96 p 3

[Unattributed report: "Raduyev Alive?"]

[FBIS Translated Text] Dzhokhar Dudayev has said that Salman Raduyev is alive and taking part in fighting the Russian troops. In an exclusive interview with Radio Liberty Dudayev rejected the report that Maskhadov, chief of staff of the Chechen armed formations, has been injured, saying that Raduyev and Maskhadov are ready to appear in public.

Russia: Maskhadov Denies Wounding Report; Plans To Fight

LD1503004796 Moscow Radiostantsiya Ekho Moskvy in Russian 0000 GMT 15 Mar 96

[FBIS Translated Text] The Chechen chief of staff, Aslan Maskhadov, spoke on the presidential TV channel yesterday. He denied rumors that he had been wounded and reiterated his intention to fight on for the republic's liberation. According to Radio Liberty, Maskhadov also disclosed that Salman Raduyev, the well-known field commander, was alive — in spite of claims to the contrary by Russia's security forces.

Russia: Grachev Rumored To Have Met Dudayev's Field Commanders

LD1403215796 Moscow NTV in Russian 1900 GMT 14 Mar 96

[From the "Segodnya" newscast]

[FBIS Translated Text] A report from our correspondents from Groznyy.

[Unidentified correspondent] The situation in Chechnya seems to depend less on the situation in Groznyy than on events in Moscow today, as not only the military but also local residents are saying increasingly frequently. Defense Minister Pavel Grachev flew into Groznyy unexpectedly today. His visit was wrapped in secrecy.

It was made quite clear this morning to journalists who found out about Grachev's arrival by chance, that there would be no possibility of talking to Pavel Sergeyevich. We managed to find out from various sources, however, that the minister held a conference with the command of the joint grouping, and was thoroughly briefed on the operational situation in Chechnya, in order to report back on it at the forthcoming Security Council meeting.

Doku Zavgayev, head of the Chechen government, attended the conference. He reproached the federal troops for failing to react sufficiently rapidly to the Dudayev forces' attack on 6-8 March.

According to the military, the greatest concentration of militants is currently to be observed round the village of Bamut. Federal troop subunits are drawing up to Bamut, but as yet they are not undertaking any active moves. It is hard to judge the situation in Bamut at the moment.

Tanks opened fire in the center of Groznyy this afternoon, this was how the military, for a whole hour, suppressed a sniper who was holed up on the roof of a 17-storey building.

On the whole, though, things were quiet in the city.

According to one version, Pavel Grachev's unexpected arrival was because he might have a meeting with [Dudayev's] field commanders, something he had previously said he was prepared to do. Pavel Grachev, whom many people are already in a hurry to see dismissed, has evidently decided to work out here in Groznyy all options for a peace settlement in Chechnya and to go the Security Council fully armed and ready.

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Russia: Chechen Separatists Answer Tatarstan's Peace Initiative

LD1403143696 Moscow INTERFAX in English 1308 GMT 14 Mar 96

[FBIS Transcribed Text] KAZAN, March 14 (Interfax-Eurasia) — Chechen separatists answered Tatar President Mintimer Shaymiyev's settlement proposals by fax Thursday, Tatar presidential aide Rafail Khakimov told Interfax-Eurasia.

"Experts close to Chechen separatist leader Dzhokhar Dudayev" sent their remarks on the proposed plan, Khakimov said. They do not have claims on most proposals, their remarks are more "political and stylistic," he said.

For instance, they changed the word "rebels" in Shaymiyev's proposals to "volunteers," the term "Chechen crisis" to "Russian-Chechen relations", and "all sides to the conflict" to "two sides," meaning that Moscow-backed Chechen leader Doku Zavgayev should join either this or that side.

The Chechen separatists should now send a representative authorized by Dudayev "to hold talks in Kazan and Moscow," Khakimov said.

The talks are more likely to start in Kazan, because "we have to agree with each other first, then call Moscow and find out who is ready to negotiate there," Khakimov said.

Shaymiyev had put forward his settlement proposals on February 21.

Shaymiyev said Dudayev's participation in the peace talks was the essential condition for settlement in Chechnya. In addition, representatives of Russia's constituent members should act as mediators and guarantors, while OSCE [Organization for Security and Cooperation in Europe] and Council of Europe observers monitor the talks, he insisted.

The federal troops should be pulled out of Chechnya simultaneously with the disarmament of separatist forces and amnesty for everyone, including Dudayev, Shaymiyev said.

Once the whole territory of Chechnya is demilitarized, new elections should be held under the observation of Russia's State Duma and international institutions, he said.

The settlement process should finally produce a treaty "reflecting the goodwill of the sides who will bear obligations to each other, the peoples of Chechnya and Russia and the international community," Shaymiyev said.

Russia: Interior Minister Against Withdrawal From Chechnya

LD1503121796 Moscow ITAR-TASS in English 1121 GMT 15 Mar 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, March 15 (Itar-Tass) — The hasty withdrawal of troops from Chechnya urged by some political forces in Russia can entail a chain of events highly unfavourable for the state, Russian Interior Minister Anatoliy Kulikov said here today.

The Minister was responding to questions in the State Duma lower house of parliament within the framework of "the government question time" devoted to the situation in the Republic of Chechnya.

The Minister described the situation in the North Caucasus republic as "extremely tense." Dudayev and his entourage regard confrontation as the only possible means of satisfying their criminal interests, Minister Kulikov said.

He said that was evidenced by the recent offensive by the separatists in Groznyy where they set afire oil storage tanks, demolished structures in the social sphere and engaged in looting. "All those actions came as a logical continuation of activities of the Dudayev criminal regime," he said.

The Minister said up to six thousand separatist militants were active in Chechnya. They took hostages to demand ransom at a well-known rate of 25 million roubles (about 5,000 dollars) per one hostage.

Kulikov admitted that the separatists benefitted from the unilateral suspension of combat activities by federal troops some time ago and called on the federal centre to act in a well-considered step-by-step way towards the settlement in Chechnya.

"Personally, I am a staunch supporter of the idea of achieving a settlement through expanding the demilitarised zone," Kulikov said.

He stressed that "there is no party of war" in Russia but the hope for a peaceful outcome has been "ruled out by acts of terror on the part of Dudayev."

Kulikov called on the members of parliament to make amendments to criminal legislation stipulating tougher measures for combatting terrorism. He also proposed setting up an inter-departments commission to draft a law on armed conflicts. He said a special law should be passed against terrorism.

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Russia: Zavgayev Claims Dudayev Losing Popular Support

MM1503095896 Moscow ROSSIYSKIYE VESTI in Russian 15 Mar 96 p 1

[Interview with Chechen Republic President Doku Zavgayev in Groznyy by Aleksandr Ryabushev; date not given: "Chechnya: Backdrop to Latest Act of Terrorism"]

[FBIS Translated Text] Before leaving for Moscow for a session of the Russian Security Council Chechen Republic President Doku Zavgayev gave our correspondent in the North Caucasus an interview. They discussed, among other things, how the republic's government regards the Dudayevists' recent act of terrorism in Groznyy.

[Zavgayev] The Dudayevist guerrillas' latest bandit attack on Groznyy was carried out with a view to influencing the Security Council decision regarding a peaceful settlement of the military conflict in Chechnya. As you know, since 11 February peace treaties have been being signed in Chechnya between the heads of the local administrations, the Chechen Government, and the federal troop command. People at local level are weary of war and have begun expelling guerrillas from the villages. The population has begun to influence the guerrillas' movements. To date 70 percent of the republic's territory has been included in the peace settlement process through intra-Chechen dialogue, by means of people's diplomacy. Around 100 villages have been declared part of the peace zone. People have realized that war occurs where Dudayev's bandits appear and they have stopped offering them help. I think that peace in Chechnya will only come from intra-Chechen dialogue; the Chechens themselves must decide their fate.

[Ryabushev] Why nonetheless were the Dudayevists able to enter Groznyy so easily, effectively unimpeded, and organize a blood bath in the city? And head back to the mountains, moreover, with the same ease?

[Zavgayev] I think that the investigation will look into this. Criminal proceedings have now been instituted with regard to the attack on Groznyy. But one reason was the lack of proper cooperation between the Russian Ministry of Internal Affairs Internal Troops and Defense Ministry subunits. Undoubtedly, on the first day of the Dudayev attack on Groznyy the Chechen militia courageously fought the Dudayevists' superior forces alone. Many Chechen Republic Ministry of Internal Affairs personnel died and others are missing.

[Ryabushev] What is now being done to prevent the Dudayevists from attacking Groznyy again?

[Zavgayev] A patrol regiment of around 700 Chechen Republic Ministry of Internal Affairs personnel has been set up to patrol the city in conjunction with men from the Russian Ministry of Internal Affairs Internal Troops. A series of measures has also been carried out, but I cannot talk about them right now, for quite understandable reasons.

Russia: Targeted Program for Chechnya Restoration Ratified

MM1403151296 Moscow ROSSIYSKAYA GAZETA in Russian 14 Mar 96 p 3

[Russian Federation Government Decree No. 241 "On the Federal Targeted Program for the Restoration of the Chechen Republic Economy and Social Sphere in 1996," signed by V. Chernomyrdin, chairman of the Russian Federation Government, on 6 March 1996 — from the "Documents" section]

[FBIS Translated Text] In implementation of Russian Federation presidential Edicts No. 1216 of 6 December 1995 "On the Federal Targeted Program for the Restoration of the Chechen Republic Economy and Social Sphere in 1996" and No. 86 of 24 January 1996 "On Measures To Restore the Chechen Republic Economy and Social Sphere in 1996" the Russian Federation Government decrees that:

1. The federal targeted program for the restoration of the Chechen Republic economy and social sphere in 1996 (hereinafter — the Program) is hereby ratified, based on the spending levels laid down by Russian Federation presidential Edict No. 86 of 24 January 1996.

2. The Program is hereby included in the list of targeted programs eligible for federal budget funding in 1996.

3. The State Commission for the Restoration of the Chechen Republic Economy and Social Sphere is hereby given the right to modify on a quarterly basis the targets of the aforementioned Program in the light of the prevailing situation.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] 6 March 1996
No. 241

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Russia: Grachev Warned of Plans for Attack on Groznyy

MM1403151796 Moscow IZVESTIYA in Russian 15 Mar 96 p 1

[Unattributed report: "Defense Minister Exhorts Subordinates in Groznyy"]

[FBIS Translated Text] Russian Defense Minister Pavel Grachev, who has arrived in the Chechen capital, held a conference with the command of the federal troops and the leaders of special services in Chechnya. INTERFAX was told this on Thursday by a Chechen Government source. According to him, the conference discussed, inter alia, a prompt response to special service reports of impending provocations and attacks by Dudayev's guerrillas on federal troop positions and the republic's population centers and cities. "The defense minister was informed by the special services of Dudayev plans to organize a provocative attack once again on Groznyy," the source noted.

Russia: Groznyy: Federal Commander Updates Military Situation

LD1503124096 Moscow INTERFAX in English 1117 GMT 15 Mar 96

[FBIS Transcribed Text] GROZNYY, Mar 15 (Interfax) — Five Chechen separatist snipers, including one foreigner, were killed by federal servicemen in the past 24 hours in the Chechen capital of Groznyy, commander of the federal army contingent in Chechnya Lieutenant-General Vyacheslav Tikhomirov told Interfax.

Twelve separatist militants engaged in fierce fighting with law-enforcement officers and were killed Thursday on Groznyy's Leninskiy Avenue, Tikhomirov said.

Federal sappers defused more than 20 landmines and other explosive devices in the past 24 hours in Chechnya.

Federal positions came under fire on 13 occasions, including in nine incidents in Groznyy. Six Interior Ministry troopers and three federal servicemen were wounded. No federal troops were killed, Tikhomirov said.

Contrary to reported plans, forces loyal to Chechen separatist leader Dzhokhar Dudayev failed to storm Groznyy at 4:00 a.m. on March 15. Federal troops and Chechen police forces are in control of developments in the Chechen capital.

Emissaries of Chechnya's pro-Moscow government will be expected to seal more peace agreements with local authorities in the north of the republic Friday, Tikhomirov said.

Russia: 'Cleansing' of Bamut Region in Chechnya Reported

LD1403232896 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 14 Mar 96

[From the "Vremya" newscast]

[FBIS Translated Excerpt] [Correspondent Nikolay Ivanov] Reports of Chechen sniping and exchanges of fire involving grenade launchers at Minutka Square, where two civilian construction workers were killed yesterday, could serve as a commentary on communiques issued by the military command and the Chechen Interior Ministry about a relatively peaceful situation in Groznyy. For those who are not familiar with Groznyy's lay-out, Minutka Square is in the center of the Chechen capital. Another geographical digression — Bamut village is located in the hills of western Chechnya. Here federal forces continue to seal off the district and carry out air raids and artillery strikes on the outskirts.

Judging by comments made by Vyacheslav Tikhomirov, commander of the grouping of federal forces, the tactic of precision strikes tested many times on other villages is being employed. The command is confident that civilians have left the village and that all that remains is a Dudayevite stronghold, with stockpiles of weapons and ammunition. Federal forces plan to end the bombing and shelling of the Dudayevite positions by this evening. Tomorrow morning they will start an operation which the military describe in terms that have more in common with municipal services — cleansing of the Bamut area. If this plan comes to pass, the first information about the Bamut operation will arrive in time for the Security Council meeting in the Kremlin on a settlement of the Chechen crisis. It is also symptomatic that today representatives of the Russian command in Chechnya actively circulated information about rebel concentrations near Gudermes, Argun and Shali, and about attempts by the Dudayevites to wreck peace talks in various settlements.

It appears that at the moment Dudayev's representatives are only interested in having talks with President Shaymiyev of Tatarstan. In response to his recent declaration, experts in Dzhokhar Musayevich [Dudayev's] entourage sent back their amendments by fax. They propose that the fighters should be referred to as "militiamen" and the Chechen crisis as "Russo-Chechen relations." They also say that the phrase "all parties to the conflict" should be replaced by "the two parties." The philological subtleties of Dudayev's entourage may not be without political significance, but they are hardly likely to be of interest to the leader of the Russia Is Our

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Home faction in the Duma, since Dzhokhar Dudayev is completely excluded from his initiative for dialogue. [passage omitted]

Russia: Federal Forces Attack Chechen Village of Bamut

LD1503094396 Moscow ITAR-TASS World Service in Russian 0833 GMT 15 Mar 96

[FBIS Translated Text] Moscow, 15 Mar (Itar-Tass) — At dawn today, artillery and tank shelling of the Chechen village of Bamut (45 km south-west of Groznyy) began. The federal forces are making "precision strikes against concentrations of militants and engineering constructions." This was stated by commander Vyacheslav Tikhomirov in a telephone conversation from Groznyy with ITAR-TASS correspondent Boris Kipkeyev. The general stressed that "all the peaceful inhabitants left the village before the start of the operation" on Wednesday.

The village of Bamut, which is in the Achkhoy-Martan foothill district of Chechnya, is totally surrounded by federal forces, Vyacheslav Tikhomirov noted. He stressed that no Dudayevites have attempted to break through from outside to help the besieged militants. There are no losses among the military.

"The operation in Bamut," the commander of the federal grouping said, "will continue until the major Dudayevite base is totally destroyed."

The village of Bamut has remained until now one of the major and well fortified bases of the militants, ITAR-TASS was told over the telephone by Ruslan Martagov, press secretary of the head of the republic. In the Sixties-Eighties period it housed a launch pad for ballistic missiles belonging to the Strategic Rocket Troops. With the signing of the Soviet-U.S. START Treaty early in 1990 the missiles were dismantled and the launch silos and the ramified system of engineer structures were abandoned. Since 1994, the Dudayevites have been equipping arms depots in the underground tubes and digging trenches .

The ITAR-TASS correspondent was told over the telephone by Shamil Burayev, prefect of the Achkhoy-Martan district center (15 km north-east of Bamut), that simultaneously with artillery strikes against Bamut the federal forces are today combing the area adjacent to the village. He quoted the following information received by him at 1040 from Lukmat Madalov, head of administration of the village Valerik nearby, who came to Achkhoy-Martan from the vicinity of Bamut: "Federal soldiers are actively cleansing the plain territory, adjacent to Bamut from the north along the Orekhovo-Staryy Achkhoy-Katyr Yurt line of villages."

Federal forces have entered Katyr-Yurt since this morning — passports are being checked. The entire village has been sealed off.

Russia: Breakthrough From Sernovodsk by Chechen Militants Denied

LD1403192596 Moscow ITAR-TASS in English 1901 GMT 14 Mar 96

[FBIS Transcribed Text] MOSCOW, March 14 (Itar-Tass) — Reports which appeared in the mass media alleging that Dudayev's militants had broken through from Sernovodsk to the territory of one of the Ingush villages have been resolutely denied by press-secretary of the Ingush permanent mission under the Russian president Adam Malsagov.

In an interview with Itar-Tass Malsagov said that according to the Ingush Migration Service, only two women went out of Sernovodsk. "Rendering assistance to these people is a moral duty. Indeed, they have been transferred to the settlement of Ordzhonikidzevsakaya, but, as a matter of fact, there were no militants there," Malsagov said.

Russia: Troops in Chechnya Complain of 'Foul-Up'

MM1403172596 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 Mar 96 pp 1, 2

[Report by Aleksandr Khokhlov: "'Dudayev and Moscow Are in Cahoots'"]

[FBIS Translated Text] This is being said in Groznyy today by an OMON [special-purpose police detachment] member at a checkpoint, an Army major, and an Internal Troops boy-soldier.

Killing According to Plan

Dudayev's gunmen have been methodically and safely finishing off Internal Troops soldiers and police officers at Groznyy checkpoints. SOBR [special rapid reaction detachment] and OMON members requested help — the moving up of armored groups, air and artillery fire support, and simply the delivery of ammunition. But there was no point in expecting help from anywhere: All the federal troops "controlling" Groznyy are actually guarding only their own positions. Communications between the people who were dying and the people who were playing a waiting game were conducted using "Johnsons." The gunmen have these open communications "bullhorns" too. They heard all the transmissions and knew that nobody would stop them.

The bodies of the OMON and SOBR members could not be removed from certain checkpoints until 9 March. At Severnyy Airport bodies ripped apart by shrapnel

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and bullets were loaded from armored personnel carriers [APC's] onto "choppers." This work was like a conveyor belt — there were many dead, over 100 men.

"Bastards. What bastards we are ruled by," a major cursed. "Because everybody knew that the gunmen would move on the city. They knew long ago, and everybody at the top was warned."

Police officers are now cursing Army soldiers because their armored vehicles set off from Khankala for the city only on the night of 7-8 March. In turn an Army colonel spelled out to us that if that had been the case there would have been many more fatalities: The IFV's [infantry fighting vehicles] and APC's would have gone up like candles in the streets, where all tall buildings were occupied by gunmen.

There are no culprits. There are just fatalities.

Hopeless Situation

There is still no lighting and no water in Groznyy. Women are wandering the streets carrying empty buckets. It all bodes ill....

On 8 March a single old Russian woman died in a multistory apartment block. Nobody knows what from. Nobody has taken the dead woman away.

On the other hand the Chechen Republic Government has already estimated the damage caused by the Dudayev supporters' latest act. The figure of 1 trillion-plus rubles has been mentioned. It is not known how the estimate was made, but the money will be allocated.

"Nobody is willing to pick up the gunmen," a Chechen police officer said. "They have moved through Budennovsk, Kizlyar, and Groznyy. They go wherever they like. All of them could be caught within a week in the mountains or within a day in Groznyy. I know many of the locals by sight. Do I have to catch them myself?"

FSB [Federal Security Service] personnel and Army officers who have still to "see out" their first tour in Chechnya all tell the story of how gunmen who had been smashed in Shali, Gudermes, and the foothills entered Groznyy in last April. They were traveling not just in trucks but even in buses. The city was surrounded by troops on all sides, but somebody "forgot" about one road. That is the one they used.

"We were waiting for the command to 'face,' but nothing happened," military personnel said.

An officer in the assault group which fought in Novogroznenskiy said that the same thing happened there too. Gunmen walked away along a "corridor" that somebody had left. The command to seal it off and eliminate the enemy came too late. The assault force that rushed into battle found only discarded combat field packs of bullets on the road leading to the hills. Soldiers do not discard their last ammunition in a war.

"Dudayev and Moscow are in cahoots, while we are simply being killed here," you will be told in Groznyy by the OMON member at a checkpoint, the Army major, and the Internal Troops boy-soldier.

"So there I am sitting in the emplacement and I cannot see a damned thing further than the breastwork," an artillery officer said, "but even I know where the gunmen's bases are in Chernorechye (a part of Groznyy), where they lick their wounds after combat. On 8 March I received the order to pound Chernorechye. I was given the coordinates two squares higher on the map. A completely hopeless situation."

When Will the War End?

"The fighting in Chechnya will end in the summer, without any presidential decision," an Army colonel said. "By that time the last helicopters will have been 'mothballed' and the last armored vehicles will be laid up. Do you know how many tanks the units received in 1995? Five. For the whole Russian Army. This year there is no money for new weapons either."

But oil extraction will continue in Chechnya. It is not very clear where the oil and the money from selling it are going. All that is known is that oil facilities and pipelines are not being targeted by either the federal forces or the gunmen.

Cannon Fodder Tired of Fighting

It is said that the first police officer in Groznyy was killed when he left a checkpoint area early on the morning of 6 March to urinate.

Near Shali gunmen captured the checkpoint's entire complement of around 40 men, and those people's fate is still unknown.

"People cannot be completely stressed out all the time; it is impossible," Sergey Dmitriyevich, an Airborne Troops battalion commander, said. "At some point a person reaches his limit. He gets used to danger and forgets about it. A person can go crazy."

In Chechnya there are many officers from all the power departments who have come to fight for a second or a third time. Soldiers end up in the war and they stay here. There is no question of any promised leave for them. Army and Internal Troops companies are occupying hardened compounds corresponding to territories prescribed in terms of area. But everywhere companies have not 100 but 30-40 soldiers each."

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"I would erect a monument in his lifetime to every soldier who survives Chechnya," Airborne Troops battalion commander Sergey Dmitriyevich said. "Only our guys could fight like this with the minimum of life's comforts."

But even these people are growing weary in this strange and dirty war. It is a complete nonsense: Troops dig in the Chechen dirt and wait for gunmen to come and kill them. Which is exactly what the gunmen do.

"It is sickening and exhausting to wait for death every day and not even lift a finger," the 22-year-old commander of a motorized rifle platoon said.

"Foul-up"

The colonel fought in Afghanistan. The colonel is fighting in Chechnya. He says that he has never seen such chaos.

"The Army, internal Troops, police, state security officers, and FAPSI [Federal Government Communications and Information Agency] personnel are here. Each has its own command. Both here and in Moscow. Each looks after itself. The only thing that unites a combined force grouping is the desire to save its own people. It is good when commanders look out for their soldiers. But it is bad when it is at the expense of other commanders' soldiers.

Many military personnel in Chechnya do not understand why the power departments' troops have not been pulled together into one strike force and why they have not been made subordinate to a single commander.

"Either a Yermolov or a Zhukov is needed here," officers are saying. "But neither Babichev, nor Kulikov, nor Romanov has been allowed to become a military commander, just as Tikhomirov is not being allowed now. It is a complete foul-up planned by somebody at the top."

A Rhetorical Question

We walked from one end of Groznyy City to the other several times. We passed bodies that had lain for several days (have they been removed even now?). We hid in passageways when a sniper was operating in the city center against a checkpoint. Under the windows of the Staropromyslovskiy Rayon Commandant's Office building, where we spent the night of 8 March with Ryazan OMON members, four grenades from a grenade launcher exploded.

Then we flew to Moscow and found out that our president was flying off to Egypt to discuss the problem of eradicating terrorism in the Near East.

It is a pity about all those people killed, whoever they were and wherever they were killed. But we are probably failing to understand some things in this life.... Maybe the Russian leadership should propose that the heads of all the world's states hold the antiterrorism meeting in Budennovsk? Or in Kizlyar? Or in Groznyy, where, according to very rough estimates, between 300 and 400 of our fellow citizens have just died?

Forecast for Tomorrow

According to operational data from various power departments, in the last few days Chechen women and children have been leaving the settlements of Khankala and Komsomolskoye (adjoining the federal troops' main base in Chechnya).

Why could that be?

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CIS: ITAR-TASS Carries Press Review for 15 Mar

LD1503063196 Moscow ITAR-TASS in English 0556 GMT 15 Mar 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW March 15 (Itar-Tass) — Follows a review of Friday's Moscow-based Russian newspapers dated March 15.

ROSSIYSKAYA GAZETA on ways to overcome the Chechnya crisis.

The public of the country expects the Russian Federation Council to pass a long-awaited decision soon on ways to overcome the Chechnya crisis. Vyacheslav Mikhailov, Minister of Ethnic Affairs and Federal Relations, examines respective options.

Mikhailov believes that the prevalence of this or that version of a solution to the crisis may not be regarded as a sufficiently correct way out of the acute situation. All actions of federal authorities must be comprehensive, upon assimilating everything that is best in any ideas. In his view, a comprehensive solution means primarily constitutional-legal methods to settle such conflicts.

The Minister has told a RIA NOVOSTI news agency correspondent that Russian leaders do not rule out negotiations with Dudayev through intermediaries as one of ways leading out of the crisis.

ROSSIYSKIYE VESTI on the hidden motives of the latest terrorist act by Dudayev militants in Groznyy.

Doku Zavgayev, Head of the Chechen Republic, believes that "militants attacked Groznyy with a view to influencing a Security Council decision on a peaceful settlement of the military conflict in Chechnya".

Zavgayev maintains that "the process of a peaceful settlement of the conflict is now gathering momentum in the republic within the framework of an intra-Chechen dialogue, by a citizen democracy method". He said the process involves 70 per cent of the republic's territory as of now.

KOMSOMOLSKAYA PRAVDA examines the Chechnya problem in the light of the decisions of the Summit of Peacemakers, an international conference on terrorism, in the Egyptian town of Sharm al-Shaykh. The newspaper states with regret that the Chechnya issue and Russia's policy in the North Caucasus in general were not touched upon at the conference.

KRASNAYA ZVEZDA quotes remarks made by President Boris Yeltsin who has qualified the actions of Dudayev militants in Chechnya as a manifestation of "international terrorism".

Previously the West approached us from criticial positions, whereas now it has come to realise that in Chechnya we have to deal with international terrorism," Yeltsin said.

TRUD reports that the Council of Europe has nominated the Soldiers' Mothers' Committee of Russia for Nobel Prize.

"The feat accomplished by this modest organisation has not only been taken note of but also cited by the world public, but not at home, not by the Motherland," the newspaper observes.

IZVESTIYA on an increase in death penalties in Russia.

"Why does the number of executions has sharply grown in Russia?" asks Lev Razgon, member of the Commission for Pardon to the Russian President in a "Letter to Izvestiya".

"In 1995, there were 86 executions. Why such haste by agencies which prepare documents for the President on the execution of death sentences?" Razgon asks, and provides the following answer: "Because when joining the Council of Europe we must consider, not later than in three years' time, the question of abolishing death penalty and before that set a moratorium on the execution of death sentences from the day Eussia enters the CE. As long as such a moratorium is not set, the machine of putting people to death operates at a frantic pace".

ROSSIYSKIYE VESTI on the establishment of a bloc of national-patriotic forces in support of Gennadiy Zyuganov.

News analyst Feliks Babitskiy examines the causes and consequences of the establishment of the bloc. This fact, he writes, has alarmed many. Some people have got panicky in earnest.

Babitskiy is of the opinion that "the establishment of a new bloc is illustrative of anything — Zyuganov's tactics and even his difficulties — but not of an increased influence of the opposition".

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Russia: Foreign Ministry Hopes for Compromise on NATO Expansion

LD1403210596 Moscow INTERFAX in English 1834 GMT 14 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Mar 14 (Interfax) — Moscow hopes that a compromise can be found which would settle, on the one hand, Russia's concern over NATO plans of eastward enlargement and — on the other — Central and Eastern European countries' concern about their security, Mikhail Demurin, a senior spokesman for the Russian Foreign Ministry told a briefing in Moscow Thursday [14 March].

According to him, joint work on the search for "mutually acceptable ways to introduce stability in this area of Europe and on the continent as a whole is already under way."

Such a compromise would open additional prospects for cooperation between Russia and the countries of Central and Eastern Europe, said Demurin.

Russia: Forces 'Coordinating Normally' With NATO Troops in Bosnia

LD1403141796 Moscow INTERFAX in English 1343 GMT 14 Mar 96

[FBIS Transcribed Text] MOSCOW, March 14 (Interfax) — Russia believes its forces are "coordinating normally" with NATO troops in Bosnia, a foreign ministry official told Interfax, commenting on the agreement signed yesterday by Russia and NATO on Russian troops joining the multi-national contingent in Bosnia.

"The mechanism for future joint efforts is essentially being laid down right now in the former Yugoslavia," he said, adding that the Russian forces in the theater have received praise.

He said Russia is concerned that the conflict in the Balkans is not finished.

"The presence of the multinational force in Bosnia serves as a crucial deterrent, which will prevent the possibility of renewed tensions," the source said.

Russia: Commander 'Perplexed' at U.S. Report on Missile Security

LD1403211696 Moscow ITAR-TASS in English 2018 GMT 14 Mar 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, March 14 (Itar-Tass) — The strategic missile forces commander, Colonel General Viktor Yesin, believes Russia's nuclear missiles are well guarded and do not require "additional protection".

In an interview to Tass on Thursday Yesin said that the launching sites, depots and other structures belonging to the missile forces have a high security level which does not give any reason to suppose that nuclear arms can be stolen.

Yesin seemed perplexed at the report released by U.S. analysts which said that "the possibility to steal a nuclear weapon or fission materials in Russia is the major threat" for U.S. national security.

According to Yesin, groups of American military specialists inspected Russia's missile forces' bases and units last year but none found any flaw in security or a possibility to steal from military sites.

He also argued that reciprocal visits of Russian missile experts to the U.S. revealed the same security level at the American bases, which even lagged behind on certain norms compared with Russia.

"The strategic missile forces have taken all the security measures for safe keeping of nuclear charges; the possibility of theft is reduced to naught — the overseas specialists who visited us saw it for themselves," stated Yesin.

The general does not regard as constructive a tentative proposal American experts to purchase and transport these dangerous but valuable materials outside Russia while the remaining nuclear weapons and fission materials should be concentrated at specific sites and provided with security.

Yesin said that the authors of the report forget that they deal with a great power which not only has nuclear potential but is also capable to ensure its protection under any condition and without the benefit of assistance.

While praising the increased efforts to combat terrorism and strengthen nuclear security the general thinks that an ability of a sovereign state to safeguard its own nuclear weapons should not be questioned.

Russia: Editorial Blames U.S. for Scandal Over Kalugin's Memoir

MK1403124696 Moscow NEZAVISIMAYA GAZETA (NEZAVISIMOYE VOYENNOYE OBOZRENIYE Supplement No. 5) in Russian 14 Mar 96 p 7

[Report by Andrey Noyabrev: "Much Ado About What? The Scandal Over the Former KGB General May Have Been Provoked"]

[FBIS Translated Excerpt] [passage omitted] Kalugin's memoirs were published in 1994. Two years later they suddenly came into the focus of a scandalous story relating to the arrest of Robert Lipka, former employee of the U.S. National Security Agency. Furthermore, a suspicion is growing that somebody is not unwilling to

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make out of Kalugin's book something of a guide on the KGB/SVR's agent network abroad, thus putting the author into a very uncomfortable situation.

There is a theory that Kalugin's fatal involvement in the "Lipka case" has been deliberately puffed up by U.S. special services. The question is why they needed to create extra troubles — and fairly serious ones at that, given the jittery reaction of the general's former Russian colleagues — for a prominent opponent of the KGB? For even the Foreign Intelligence Service [SVR] has not, until recently, seen anything particularly reprehensible in Kalugin's written revelations. To be more precise, until the day when the FBI officially announced Lipka's arrest and noted that this event was connected with unspecified information from Kalugin's book "The First Directorate."

Has Kalugin for some reason started irritating the Americans? Or are they artificially stirring up the scandal in an attempt to distract the Russian intelligence and counterintelligence services' attention from something more substantial?

Russia: First U.S. Satellite To Be Launched by Russian Rocket

LD1503095496 Moscow ITAR-TASS in English 0925 GMT 15 Mar 96

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Transcribed Text] PLESETSK COSMODROME (Archangel Region), March 15 — The first launching of the American "Astro-1F" satellite by means of a Russian "Proton" carrier-rocket, scheduled for March 28, had to be put off for 7-10 days. "This is due to some troubles within the satellite itself," Itar-Tass was told today by First Deputy Director-General of the Khrunichev State Cosmic Centre Aleksandr Medvedev.

He said that a leak in one of its spherical tanks containing helium, which is necessary for manoeuvring the satellite on the orbit, was discovered during a preflight examination. Now it is necessary to wait for a new tank to delivered from the United States.

The "Astro-1F" satellite is to ensure telecasts to the countries of Central Europe. It was produced by the American "Hughes Aircraft" Company, while the Khrunichev Centre is preparing the carrier-rocket. This is the first of the series of 15 "Proton" commercial launchings, planned until the year 2000.

Russia: Seleznev Says Duma Backs Republic of Cuba

LD1403171396 Moscow ITAR-TASS in English 1644 GMT 14 Mar 96

[FBIS Transcribed Text] MOSCOW, March 14 (Itar-Tass) — "The State Duma supports the Republic of Cuba," Chairman of the State Duma of the Russian Federation Gennadiy Seleznev stated today at a meeting with Jaime Crombet, Deputy Chairman of the National Assembly of the People's Power of the Republic of Cuba.

They discussed a state of bilateral inter-parliamentary ties, the present international situation, in particular, the anti-Cuban statements by the U.S. Administration and the new law of the United States directed at strengthening the political and economic blockade of Cuba, a report by the press service of the State Duma, received by Itar-Tass today, says.

The adoption of this law was caused by actions of the Cuban Air Force which had shot down American planes which had intruded into the air space of Cuba, the document of the press service runs.

Gennadiy Seleznev stressed that the State Duma had quickly reacted to the anti-Cuban actions by the United States and expressed its disagreement with the U.S. position, which, in view of the head of the chamber, was directed at an active interference in the Cuban affairs.

Jaime Crombet thanked the chairman of the State Duma for solidarity noting that the U.S. policy "is aimed at interfering in the affairs of other countries and is dangerous for the world community."

The two discussed the prospects for the further development of bilateral relations and inter-parliamentary contacts between Russia and Cuba.

"Russia's relations with Cuba must return to the level of Soviet- Cuban relations," the chairman of the State Duma accentuated.

He spoke for any positive dialogue with the Cuban parliament, stressing that "no distances should alienate us," the report by the press service of the chamber says.

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Russia: Duma on 'Appropriate Measures' if Cuba Blockade Hits Russia

MM1403130296 Moscow ROSSIYSKAYA GAZETA in Russian 14 Mar 96 p 5

[Unattributed report: "Balanced Approach Needed. State Duma Has Adopted Statement on Exacerbation of U.S.-Cuban Relations"]

[FBIS Translated Text] The State Duma categorically disagrees with the fueling of anti-Cuban hysteria and the attempts by the United States to tighten the economic sanctions against the Republic of Cuba. While expressing regret at the tragic incident in the airspace off Cuba's shores and the resulting loss of life, the State Duma believes that it must be investigated objectively and impartially by the competent international organizations. The haste with which Washington announced its intention to step up the economic blockade against Cuba even before the end of such an investigation gives grounds for believing that this incident was the result of a deliberate act of provocation.

The State Duma reaffirms its earlier assessment of the so-called Helms-Burton bill as contrary to the generally recognized principles of international law. The imposition of the statutes of U.S. national law on other states is unacceptable in civilized international relations.

It is obvious that the attempts to reinforce the economic blockade against Cuba will lead to heightened confrontation and increased tension in the Caribbean.

Russia's trade and economic relations with the Republic of Cuba will develop on the basis of national interests. If the intensification of the U.S. sanctions against Cuba harms Russian interests, the State Duma will examine the question of the appropriate measures.

The State Duma has expressed the hope that a reasonable, civilized approach to problems of U.S.-Cuban relations will prevail in the United States and that the so-called Helms-Burton bill will not acquire the force of law. [Unsigned; undated]

Russia: Moscow To Develop 'Mutually-Advantageous' Ties With Cuba

LD1403141096 Moscow ITAR-TASS in English 1345 GMT 14 Mar 96

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW, March 14 (Itar-Tass) — Russia is going to develop and expand mutually-advantageous cooperation with Cuba in areas of interest to both sides, above all in the trade and economic area, and is studying the possibility of taking the necessary steps to ensure normal development of such relations in future. Russian Foreign Ministry spokesman Mikhail Demurin told this a briefing here on Thursday in connection with the fact that U.S. President Bill Clinton signed on Tuesday the Helms-Burton law tightening the embargo on Cuba.

Describing the law, the Foreign Ministry spokesman said that "it clearly has an exterritorial nature. It encroaches on the inalienable right of sovereign states freely to develop commercial and economic relations with each other."

Demurin said that Russia's consultations with a number of countries show that a similar view is taken of the law by the majority of countries.

The contents of the Helms-Burton law are being thoroughly studied in Moscow, above all its sections that directly relate to Russian interests, Demurin said.

At the same time he expressed the hope that the U.S. administration will show "special caution" regarding the implementation of related provisions of the document.

Russia: Foreign Ministry Has 'Highly Assessed' Terrorism Summit

LD1403135896 Moscow ITAR-TASS World Service in Russian 1236 GMT 14 Mar 96

[By ITAR-TASS diplomatic correspondent Aleksandr Zhidro]

[FBIS Translated Text] Moscow, 14 Mar — The Russian Foreign Ministry has highly assessed the summit on a peaceful settlement in the Middle East and combating international terrorism, which was held in Egypt on Wednesday.

"We believe," Mikhail Demurin, director of the information and press department of the Russian Foreign Ministry, stated today here, "that the summit in Sharm al-Shaykh has been an important point in the international efforts aimed at getting the peace process in the Middle East moving forward again. It showed the world leaders' unanimous inclination to resolutely step up the struggle against terrorism resolutely, no matter where or how it manifests itself."

The high-ranking diplomat also noted that Boris Yeltsin's personal participation in the "summit of peacemakers" stresses "the heavy importance which Russia attaches to the problems discussed at the forum".

Demurin noted with satisfaction the warm welcome extended by the Egyptian leadership to the high-ranking Russian delegation.

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Russia: Egypt Terrorism Summit Not Seen as Sure Success

MK1203150896 Moscow NEZAVISIMAYA GAZETA in Russian 12 Mar 96 p 1-2

[Report by Mikhail Karpov: "Problems of 'Builders of Peace on Earth.' Tomorrow, a Meeting of Heads of World's Leading States, Whose Main Aim Is 'To Save the Peace Process in the Middle East,' Will Be Opened in the Egyptian Town of Sharm al-Shaykh"]

[FBIS Translated Excerpt] [passage omitted] Despite such intensive — at least outwardly — preparation for the summit in Sharm al-Shaykh and Clinton's high appreciation of the fact that Yeltsin will take part in it, its probable success seems far from certain for a number of reasons.

First of all, observers note that Middle Eastern countries themselves are least of all inclined to regard this summit as antiterrorist. To support this judgment, they refer to the statement of Husni Mubarak, who will preside over the meeting and who tends to define it as "a summit of the builders of peace on Earth," which is being interpreted as giving it a focus completely different from the Western stance.

Obviously, unconditional condemnation of terrorism would prevent some Middle Eastern states from exploiting the ideas of a "national liberation struggle" and "opposition to occupation," for which they are as yet clearly unprepared. In addition, they are fully aware of the fact that, if not overtly, then indirectly, the summit will actually provide considerable support for the two main protagonists of the peace process in the Middle East — Shimon Peres and Yasir Arafat. As is known, the two of them have lately been experiencing considerable problems in their domestic policies, which is sure to play into the hands of both the opponents of a peace settlement and those who view it from a different perspective. For instance, it is obvious that the defeat of Peres in the May election will surely lead to a serious and far from momentary suspension of the ongoing [peace] process.

For Russia, participation in the summit is useful, first, because this will attest to its cosponsorship of the Middle East peace process, which of late seems to have been rather forgotten. Second, unconditional condemnation of terrorism in any form would be advantageous for us in view of the ongoing conflict in Chechnya, since this to a certain extent would prevent other countries of the world from criticizing the antiterrorist methods used by the Russian army, internal troops, and special units. Therefore, also in this case, the West and the Islamic world will probably try to reserve some room for maneuver on this matter, which will naturally in no way facilitate the discussions during the summit.

There is yet another circumstance which will further complicate the matter. As is known, quite a while ago Russia proposed that a meeting called "Madrid-2" be held in order to give new impetus to the peace process in the Middle East. On the eve of the summit in Sharm al-Shaykh, this initiative, rather unexpectedly, received the support of Syrian President Hafiz al-Asad, who was not preparing to go to Egypt himself. This fact cannot help but encourage some Russian high-ranking diplomats in their aspirations. It seems, however, that we should not disregard the "certain bewilderment" expressed by Italian Foreign Minister Susanna Agnelli, who will host the meeting of foreign ministers of the European Union countries in Palermo. Therefore, we can hardly count on an easy success in this direction either.

Generally speaking, in Sharm al-Shaykh, Boris Yeltsin will have to work rather hard in order to be able to add this summit to the list of his successes in the field of foreign policy. If it is later accompanied by the success of the Moscow antinuclear forum, the summit in Sharm al-Shaykh could definitely bring certain political dividends to the Russian president, which will surely not be out of place for him in view of the ongoing electoral drive.

Russia: Egypt Summit Seen as Chance To Justify Chechen War

MK1203130196 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 10, 10-17 Mar 96 (signed to press 11 Mar 1996) p 1

[Unattributed editorial: "Against Whom Do Terrorist Fighters Make Friends?"]

[FBIS Translated Text] President Boris Yeltsin's trip to the Egyptian town of Sharm al-Shaykh to attend a summit devoted to the process of a peaceful settlement in the Middle East and the fight against terrorism is in many respects an extraordinary event, if only because the Kremlin masters have not visited the country of the pyramids since the times of Nikita Khrushchev's friendship with Gamal Abdel Nasser.

This time, however, it will be not so much a matter of bilateral contacts as one of geopolitics and terrorism. The Russian president's visit is designed to reaffirm Russian obligations as a cochairman of the peace process in the Middle East, at which Hamas's latest terrorist acts in Jerusalem and Tel Aviv have dealt extremely painful blows.

Yet there is another thing that is probably even more important: This forum gives Russia's Number One per-

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son a unique opportunity to demonstrate his particular concern about the problem of terrorism and to fit the raids of Basayev's and Raduyev's gunmen into the genealogy of international terrorism. What if the reckless adventure that has been eliciting more and more doubts in Russian society could be sanctified by the authority of world leaders? Who knows?

Let us not try to guess how successful this attempt might be or how neatly it would fit in with Boris Yeltsin's election campaign. This will become clear in the very first hours of the forum, which is due to open tomorrow. Today we can only state that on its eve Russia declared its readiness for close collaboration with the international community in the struggle against terrorism.

That a big game has been under way behind the slogan of fighting terrorism was clear long before the opening of the summit at Sharm al-Shaykh. Lebanon's refusal (after consultations with Syria) to attend the summit, alongside Iraq's and Libya's decision to boycott it and the skeptical stances of other Arab countries, only confirmed that, because the very states without whom any struggle against terrorism will be unthinkable were left outside the process of finding an antidote to it.

Undoubtedly, terrorism is one of the most terrible illnesses that the 21st century is about to inherit from the 20th. However, the lessons of the 20th century also give a clue as to what mistakes may not be made if it is to be treated.

When attempts are made to resolve the problem of terrorism by demonstratively factoring out its key masterminds (or, at least, the key suspects), be it within a country or outside it, this will only drive it deeper underground instead of tackling it. As a result, impasses emerge, one of which we have encountered in Chechnya — and the British, for instance, in Ulster.

There is no denying the fact that politicians' sense of their infallibility makes a dubious foundation on which to knock together antiterrorist coalitions.

Russia: Demurin on Importance of Cooperation With Eastern Europe

LD1403224296 Moscow ITAR-TASS in English 1730 GMT 14 Mar 96

[By Denis Perkin]

[FBIS Transcribed Text] MOSCOW, March 14 (Itar-Tass) — "The atmosphere of the absence of Russia's concerns in connection with the idea of NATO expansion, and anxiety of the countries of Central and Eastern Europe — about their security" would promote the development of mutually advantageous cooperation between Russia and countries of Central and Eastern Europe, Mikhail Demurin, Russian Foreign Ministry spokesman, told journalists here today.

Calling the development of cooperation with countries of Central and Eastern Europe a "priority direction" in foreign policy, and trade and economic ties of Russia, the diplomat noted, that "all sides are interested in such cooperation both at a state level and at a level of private business." Therefore mutually beneficial contacts will further develop, he believes.

Naturally, a "corresponding political atmosphere" must exist for any relations among states, he continued. Joint work is going on and will be continued with the aim of improving this atmosphere, and a search for "alternative views in countries of the region of Central and Eastern Europe concerning the ways of strengthening stability on the continent," that is the ways which would take into account the interests of security of all countries, including the states of Central and Eastern Europe and Russia, the diplomat noted.

"On the basis of respect for interests and concepts on security, which Russia and countries of Central and Eastern Europe have, we may come to a compromise decision, which would remove those concerns, and thus open additional prospects for the development of mutually beneficial cooperation," the official representative of the Russian Foreign Ministry stressed.

Russia: Russian, Polish Foreign Ministers Consider Talks Useful

LD1403192696 Moscow ITAR-TASS in English 1902 GMT 14 Mar 96

[By Aleksandr Potemkin]

[FBIS Transcribed Text] WARSAW, March 14 (Itar-Tass) — Russian Foreign Minister Yevgeniy Primakov's visit to Poland is a "sign showing that bilateral relations are entering a phase of very close cooperation and acquiring a genuine good-neighbourly character," Polish Foreign Minister Dariusz Rosati stated after the talks with his Russian counterpart. The negotiations lasted twice longer than planned.

In brief statements for the press both ministers appraised their meeting in a narrow circle and enlarged official Russian-Polish talks as "very useful and fruitful".

According to Yevgeniy Primakov, they reflect the extent of importance of mutual relations for each side. Russian minister's meetings with Polish politicians in Warsaw have special importance in connection with a visit to Russia of Polish President Aleksander Kwasniewski, scheduled for April.

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During the meeting both ministers considered problems of European security and Poland's aspiration to join NATO. The Polish side regards the discussion on these issues as "very favourable" as, according to Dariusz Rosati, the partners presented their positions in this field in detail, and conducted a "very substantial exchange of views".

Progress has also been achieved in advancing work on important bilateral documents, the signing of which will be possible during a visit of the head of the Polish state to the Russian capital.

These documents include, in particular, an agreement on mutual non-visa regime of trips which is important for citizens of both countries.

Russia: Poland's Fears on Corridor Not Without Justification

MM1403125696 Moscow IZVESTIYA in Russian 13 Mar 96 p 3

[Report by Leonid Kornilov: "No Light at End of 'Kaliningrad Corridor'"]

[FBIS Translated Text] Warsaw — In addition to NATO's eastward expansion, Yevgeniy Primakov intends to discuss in Warsaw the idea of constructing a freeway through Poland to Kaliningrad.

In Poland itself commentaries on this idea, which was recently articulated by Boris Yeltsin, are couched in dramatic tones. "No foreign state will dictate what we ought to do," a high-ranking functionary of the Presidential Chancellery stated.

One or two points in this reaction are surprising. A protocol to the effect that the sides would examine and prepare a project for such a highway was signed in Warsaw as long ago as July of last year; moreover, two options were indicated: a railroad, or a freeway. The latter was more to the Poles' liking: Many sections of it would double with the Warsaw-Helsinki highway that they are planning. The first stage in implementing the scheme has in point of fact already been passed: This was the opening of the Goldap-Gusev border crossing last year. In the near future the Polish government will authorize the creation of a special economic zone in these areas, which will include the modernization of roads and the construction of new intersections.

The question, of course, is far from straightforward; but why is the Polish side behaving as if it has only just arisen? Many people over here explain the sharpness of the Polish leadership's remarks about the "Yeltsin corridor" as follows. The left-wing democrats, who are accused of traditional obeisance to Moscow, need to show themselves as implacable champions of Polish sovereignty and to look more royalist than the king. It is possible that this motive is indeed present to some degree.

At any rate the situation as regards another transit mainline — the Polish sector of the Yamal-West Europe gas pipeline — does nothing to refute this idea. Though this time it has nothing to do with the government.

An example is the "exposure" of Aleksander Budzawaty, perhaps the second-biggest scandal after the J. Oleksy affair. The owner of the Bartimpex firm is the second-richest man in Poland; he amassed his capital by delivering goods from Poland in exchange for Russian gas.

As long ago as W. Pawlak's premiership the government was receiving comcplaints denouncing this company, claiming that "Poland will not be the owner of the Polish sector of the pipeline." Then Former Trade Minister L. Podkanski was heard to say: "The pipeline is a disaster for Poland; one day Poles will wake up and there will be no gas."

GAZETA POLSKA accuses the government of allowing Poland to lose control over the construction of the "pipe." It claims that Poland will find itself in ruinous dependence on Russia, which could shut off the "pipe" in revenge for its joining NATO.

The Poles' suspicion of everything involving any kind of dependency on Russia cannot, alas, be described as totally without justification. After all, there was cause: They have heard, and not so long ago, from the lips of one or two people on the other side of the Bug [river] threats to "turn off the faucet" actually in connection with Poland's desire to join NATO. They also remember similar sanctions imposed by Moscow against the Baltic countries.

Such fears are also possible regarding the "Yeltsin corridor." Will it become for Poland — with or without NATO — a line of additional tension? Ultimately there are a large number of Russian troops in Kaliningrad, and Poland knows from Lithuania's experience that the movement of another country's transport across your territory creates, to put it mildly, certain inconveniences.

Russia: Primakov Says Corridor Issue Non-Existent

LD1403133196 Moscow ITAR-TASS in English 1310 GMT 14 Mar 96

[By Aleksandr Potyomkin]

[FBIS Transcribed Text] WARSAW, March 14 (Itar-Tass) — Russian Foreign Minister Yevgeniy Primakov, on the first day of his official visit to Poland, hopes that Russia and Poland will be building up their relations.

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"There is every prerequisite for this," he said in a brief interview with Itar-Tass on the tarmac of Warsaw's airport.

The broadening of the relations "is good will which exists on the part of Russia and I think on the part of Poland," Primakov said, adding that statements by Polish President Kwasniewski and other policy-makers made him think so.

Local reporters plied Primakov with questions about the corridor which is supposedly to be made, with a leg of it to traverse Poland, to provide to Belarus an outlet to the sea through a road link which would connect it with Russia's Kaliningrad region, obviating Lithuania.

Primakov said the corridor project exists only in Poland's media. Any corridor "is out of question", he stressed.

Primakov, who came for a two-day visit, travelled on to the Polish Foreign Ministry.

He is now in talks with his Polish counterpart Dariusz Rosati. The talks with a limited attendance are to address a broad range of bilateral issues and European security problems.

Primakov is also to meet Kwasniewski, Prime Minister Wlodzimierz Czimosziewicz and other top officials.

Russia: Official Says Russian Autonomy in Estonia, Latvia Possible

WS1403131196 Tallinn BNS in English 1208 GMT 14 Mar 96

[FBIS Transcribed Text] Tallinn, Mar 14, BNS — Abdullakh Mikitayev, head of the citizenship agency affiliated to the Russian President, Boris Yeltsin, does not exclude the Russians in Estonia and Latvia may unite under certain circumstances and establish their autonomy within those countries.

"Indeed, this is quite likely to happen, because those people have been deprived of many civic rights: they cannot be elected or take part in elections, but they pay taxes and work for the good of their countries," Mikitayev told BNS. "They have nowhere to go. It is their homeland. It is quite natural they may want to set up enclaves of their own."

Problems of expatriate Russians were discussed on March 7 at a meeting of officials concerned with those issues in Boris Yeltsin's administration, the second such meeting this year. Mikitayev said President Yeltsin had urged them to speed up the drafting of programs to support compatriots abroad.

"Living of Russians outside Russia, their free movement and social guarantees - much more cardinal solutions must be founds to all those issues," he told BNS.

Mikitayev said the citizenship agency intended to try to achieve acceptance of double citizenship for Russian-speakers born and permanently residing in the territories of the Baltic countries.

"For the time being, the Baltic authorities avoid discussing this problem, because they think double citizenship may endagner those countries' independence," Mikitayev said.

Nearly half a million Russian-speakers live in Estonia, and about 80,000 of them are Russian citizens.

Mikitayev said the Russian foreign ministry had suggested negotiations on the level of government delegations should be activized.

Russia: Yeltsin Hopeful of Improved Relations With ROK

LD1403132896 Moscow ITAR-TASS in English 1232 GMT 14 Mar 96

[By Andrey Surzhansky]

[FBIS Transcribed Text] MOSCOW, Mar 14 (Itar-Tass) — Russian President Boris Yeltsin expressed hope that tensions between the two Koreas would subside and the peninsula would become a single and flourishing country in future.

Speaking to South Korean President Kim Yong-sam over a new video fibre optic communication line on Thursday, Yeltsin emphasised that "Russia is interested in bringing down tension in the Korean peninsula, in ensuring peace and stability in that region of the world, and in resuming the inter-Korean dialogue".

"We want to see our neighbour Korea a flourishing, united and friendly state", Yeltsin said.

The South Korean leader responded that a "mutually complementing partnership between our two countries will develop in the future even in a bigger scope" and that "Russia will be able to serve as a bridge in cooperation between Asia and Europe."

He also voiced his "respect and admiration" of the Russians who "undertake purposeful efforts to establish liberal democracy and market economy in Russia."

"Parliamentary elections held in Russia in December 1995 in accordance with democratic procedures demonstrated to the whole world that Russia has become a truly democratic state," he said.

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The president said he was confident that the forthcoming June presidential election "will become another milestone in building a democratic Russia."

Russia: Delegation for Fishing Talks With Japan Ratified

MM1403154296 Moscow ROSSIYSKAYA GAZETA in Russian 14 Mar 96 p 6

[Russian Federation Government Directive No. 290, signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 28 February 1996 — from the "Documents" section]

[FBIS Translated Text] 1. The proposal from the Russian Federation Committee for Fishing, coordinated with the Russian Foreign Ministry, to send a five-man Russian Federation delegation to Japan in 1996 in order to take part in the 12th session of the Russian-Japanese Mixed Commission for the Fish Industry is hereby adopted.

A.V. Rodin, first deputy chairman of the Russian Federation Committee for Fishing, is hereby ratified as delegation head.

2. The Russian Federation Committee for Fishing is instructed to ratify, in agreement with the Russian Foreign Ministry, the membership of and instructions for the Russian Federation delegation to the 12th session of the Russian-Japanese Mixed Commission for the Fish Industry.

3. Expenditure associated with the Russian Federation delegation's involvement in the work of the 12th session of the Russian-Japanese Commission for the Fish Industry is to be charged to the organizations which the delegation represents.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government
[Dated] Moscow, 28 February 1996

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Political Issues

Russia: Duma Repeals Decision Cancelling Treaty on Forming USSR

LD1503112096 Moscow ITAR-TASS in English 1114 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW, March 15 (Itar-Tass) — The State Duma lower house of parliament today voted in favour of cancelling the decision of the Supreme Soviet of the Russian Federation dated December 12, 1991 which scrapped the agreement on the formation of the Union of Soviet Socialist Republics.

Russia: MPs Lobby Against Communist Sponsored Resolution

LD1503122896 Moscow INTERFAX in English 1019 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 15 (Interfax) — Members of the Russian State Duma Aleksandr Lebed, Svyatoslav Fedorov and Grigoriy Yavlinskiy urged other MPs to oppose the Communist attempt to declare null and void the Supreme Soviet decision of December 1991 on the repeal of the treaty that provided for the creation of the Soviet Union.

A Communist-sponsored Duma resolution is to be considered Friday but instead of discussing it, the Duma should focus on legal groundwork for possible economic integration and unification of the civilian codes and security systems of the former Soviet republics, Lebed, Fedorov and Yavlinskiy said in a press statement handed over to the Interfax news agency Thursday.

The three lawmakers argue that the Belaya Vezha agreement, which provided for the creation of the Commonwealth of Independent States, "was ratified by the Communist-dominated Russian, Ukrainian and Belarussian legislatures."

This means that "both national leaders and Communists bear responsibility for the breakup of the Soviet Union."

"Now that the newly independent countries have acquired international and political significance, a unilateral attempt to change the status quo cannot help but escalate global tension and spoil relations between the fraternal nations," Lebed, Fedorov and Yavlinsky said.

It will likely "fan the flames of old, and engender new, interethnic conflicts."

Those who supported Boris Yeltsin, Leonid Kravchuk and Stanislav Shushkevich on December 12, 1991, "are again pushing Russia to the brink of instability and political chaos."

Neither Yeltsin nor Communist leader Gennadiy Zyuganov, who played into the hands of Yeltsin back in 1991, have the right to run Russia and hold the post of president, Lebed, Fedorov and Yavlinsky stressed.

Russia: Yeltsin: Duma Decision To Revive USSR 'Scandalous'

LD1503152496 Moscow ITAR-TASS World Service in Russian 1440 GMT 15 Mar 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 15 Mar (Itar-Tass) — Today's decision by the State Duma could be described as scandalous, although one could put it more strongly, Russian President Boris Yeltsin said in connection with the adoption of a decision by the Duma to deem as invalid the edict of the Supreme Soviet of 12 December 1991 which denounced the treaty on the formation of the USSR. Speaking to journalists after a Security Council session, he said that this decision was adopted by a "body that does not think about Russia and the Russian people."

To this effect, Boris Yeltsin said: "Considering that this decision was taken at the communists' initiative — I saw Zyuganov's signature on the draft — one can suspect that by this act they want to stir up all the CIS states and undermine the presidential elections, since nothing else can come out of this decision."

The head of state said he is indignant at this decision. Having recalled that the president is responsible for the foreign policy of the country, Yeltsin said he will not allow the decision to be implemented. Speaking of the practical steps taken after the Duma decision, he said "we invited the CIS ambassadors and asked them to tell their presidents that this is an empty gesture and nothing will come out of it."

Speaking of integration within the CIS framework, Yeltsin said: "We shall be implementing it consistently, without haste, provided every state is ready for it and has a normative base. We shall then be moving toward deep integration and later, perhaps, toward confederation." "I do not rule this out," said the head of state.

Russia: Yeltsin Threatens 'Extreme Measures' if Duma Revives USSR

LD1503103296 Moscow ITAR-TASS in English 1012 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW March 15 (Itar-Tass) — Russian President Boris Yeltsin warned he would "resort to extreme measures" if the State Duma votes on Friday [15 March] to restore the ex-Soviet Union.

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He did not elaborate, but told a meeting of Russian mayors on Friday that such issues cannot be solved without the head of state.

The Russian Communists motioned to denounce the documents which confirmed the collapse of the USSR and Yeltsin said this was a purely election move of his opponents aimed at neutralising the efforts of the president to promote integration of the former Soviet republics.

"They realise that we get serious points as the CIS states are uniting. For the Communists this is an unpleasant and unexpected turn of events", Yeltsin said.

The restoration of the Soviet Union is one of the main election slogans of the Communists, but Yeltsin said on Thursday that he was working on greater integration of CIS states which could end in a confederation between Russia, Belarus, Kazakhstan and Kyrgyzstan.

Yeltsin advised the Communists to think about future Russian development, rather than about restoring the past.

He also opposed Communist ideas about eliminating the post of the president in the country and restoring the system of Soviets across Russia.

"The institution of presidency introduced in Russia has fully justified itself. From time immemorial Russia got used to the fact that one person heads a strong executive authority", the president said adding that this was deeply rooted in the conscience of Russians.

Yeltsin warned that a parliamentary republic will do no good for the country as "parliamentarians will fight in their factions and will solve nothing".

"This will be a body subordinated to a party, Communist or any other, and there will be no democracy", Yeltsin said adding that the institution of the presidency was incompatible with the system of Soviets which were also fully subordinated to the ex-Soviet Communist party.

Yeltsin said he was optimistic about his chances to win the second term of office.

"I believe that I shall be elected for the second term", he said, adding that he was in good health and full of optimism.

Yeltsin said he had fully recovered from a heart condition and had a full workload at present.

Russia: Yeltsin Interviewed on Belovezhskaya Accord

LD1403230296 Moscow Russian Television Network in Russian 1830 GMT 14 Mar 96

[Interview with Russian President Boris Nikolayevich Yeltsin by correspondent Nikolay Svanidze; place and date not given — recorded]

[FBIS Translated Text] [Svanidze] Can we start, Boris Nikolayevich?

[Yeltsin] Yes.

[Svanidze] We can start?

[Yeltsin] We can start.

[Svanidze] Fine. Are we switched on?

Boris Nikolayevich, in a few days from now it will be the fifth anniversary of the referendum in which the citizens of the Soviet Union voted to preserve the Union. But the Union was destroyed, all the same. And now the inhabitants of the CIS are placing all their hopes in some new association, in some new unifying processes within the Commonwealth. In your view, how are these processes progressing, and in particular with Belarus? Can we expect a confederation? What will happen?

[Yeltsin] Well, I will put it like this, that in my, personal, first emotional response to this question, in the referendum, I voted for the preservation of the Union. The accusation is now levelled against me that I caused the disintegration of the Soviet Union — that is what the Communists say, it is their favorite theme. But in the referendum I voted for the preservation of the Union.

That is, the collapse of the Union was to such an extent an objective process and it had already been in progress for several years, for about 10 years, gradually and quietly, but it had been in progress to such an extent that it was inevitable. It was not possible for one man to come to power and within a few months completely destroy the Union. That is not possible. That is just fantasy.

The republics ceased trusting the leadership of the country and they gradually formed the impression that the main power was not helping them and that it was irrelevant to them and that the republics could cope on their own. Russia was not the first to declare its sovereignty. Russia was the last, together with Kazakhstan, to declare its independence and sovereignty. The other republics were the first to go. They no longer needed the Soviet Union. And when it was already clear that everything was falling apart and practically all the republics had declared their sovereignty and then their complete

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independence — they had adopted this at their parliaments to the accompaniment of great noise and delight in the hall — it became clear that the Union had really fallen apart. And nothing could bring it back to life.

[Svanidze] That is to say, it had in fact fallen apart even before the Belovezhskaya Pushcha accord was signed.

[Yeltsin] Quite right. The Belovezhskaya Pushcha accord was a sort of attempt to salvage at least something, you know. We had to avert the case of the republics running away from each other for good. We had to salvage something. And then we made an agreement with the Belarusians, with Ukraine and Kazakhstan. But Nazarbayev was unable to come to the Belovezhskaya Pushcha — he was late. That is why he did not sign, he signed it later, when in Almaty we signed an agreement on establishing the CIS — the Commonwealth of Independent States. It was an attempt to preserve some ties: Economic, cultural, financial, and so on, and so on. Because we shared one system, one legal basis. And many republics would have perished if we had had fallen apart.

[Svanidze] Boris Nikolayevich, do you remember your feelings when you realized that the Union had in fact collapsed? How did you feel?

[Yeltsin] Yes. I was very much upset because I did not want the Union to fall apart, because I was brought up in the Union, I was a major leader in the Union — the chairman of the Supreme Soviet of the Russian Federation — this was the latest post before the presidency. I spent a lot of time in the economic sphere. I worked in Sverdlovsk Region for 10 years. I ran Sverdlovsk Region very independently. I taught the (Communist) Party Central Committee to give me as much independence as possible.

[Svanidze] So it was you who taught them.

[Yeltsin] It was me who taught them: Get off my tail, I do not want your commissions coming here every day, do not tell me how much hay or straw a cow will have today, and so on, and so on. You see, there were instructions on every occasion, without fail: How much milk we had to deliver, and its fat content, and how many cows we should have had, and how many calves we should have had from 100 cows. There were instructions on everything. Do not think, just take orders, and that is that. And taking into account that our leaders were not professionals, but functionaries, you can imagine what sort of orders we would receive.

One waited until the Politburo decided when the sowing would start and when the harvesting would begin. The command would be given that the harvesting would be started on such and such a date, and then the harvesting would commence.

[Svanidze] So your fondness for the Party's leadership had been long maturing, Boris Nikolayevich?

[Yeltsin] It was not fondness, but things were as they were. Although to say at that time that I wished for disintegration is not and I repeat not the case. Well, when the Belovezhskaya Pushcha accord was signed, it was immediately agreed to gather in Almaty. I immediately telephoned Nursultan Nazarbayev. From Belovezhskaya Pushcha he had ended up in Moscow...[pauses] That is to say, he had been flying from Almaty and had reached as far as Moscow, but he had not had time to reach the venue to also sign the accord. So we agreed to gather in Almaty, and the leaders of practically all the states, except the Baltic republics, went to Almaty, because everyone realized that it was necessary to preserve some kind of integration and that otherwise we would be faced with a Yugoslav version of events and all would break apart and there would be a war.

Well, we started our quest. It was the first option, so to speak, and the CIS has been gradually developing but with difficulty of course, because some parliaments passed resolutions to the effect that they are unwilling to have any sort of supra-state management bodies. You know, we are now seeking agreement with Belarus, Kazakhstan, and Kyrgyzstan that we will have such a body, say, in charge of in-depth integration.

[Svanidze] This is a matter of great interest. People are very interested in what the results of this will be.

[Yeltsin] During my visit to Belarus, Lukashenka and I came to the conclusion that we are very close. We are Slav peoples and neighbors, and have never waged war or fought each other. There have been no political differences between us. So let us, so to speak...[pauses] The peoples do not want to have a border. They do not want to have any kind of customs restrictions. That is to say, they do not want any customs, and so on. They want a neighbor to be able to simply go and visit his neighbor across the border without having to fill out a Foreign Ministry visa form there, and so on and so forth.

We need to move on toward deep integration and to the creation of supra-state bodies of, so to speak, integration management. And even provide a budget. Not a large one, but say one percent of the total budget. For Belarus, that is not a very large amount, but it is for Russia.

[Svanidze] Can this be called a confederation?

[Yeltsin] No, no. The declaration or treaty that we will sign in Belarus in March will put it more or

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less like this: It is a deeper confederation with the appropriate authority, which will be headed by, say, two deputy government chairmen from the two states as cochairmen. They will handle integration issues, and this should be the law for all. The treaty will say: Deeper integration with a gradual transition to the possible creation of a confederation. So the word confederation will be there.

[Svanidze] Boris Nikolayevich, is this being done for short-term political gain? That is what many people accuse you of. The presidential elections are coming, so Yeltsin does a deal with Lukashenka.

[Yeltsin] No, this has been going on for a long time. I was there on a visit last year and we reached agreement then, with other countries as well. It was at a meeting of the Council of CIS Heads of State, when we agreed on deeper integration. Many said they will have to think it over for a while, some for longer than others. The reforms are not moving at the same pace everywhere, after all. Also, we will need a single regulatory framework, which is very important. And we will need to create that framework.

It turned out that Belarus travelled along the same path as us and created approximately the same basis as us — the basis of reforms. And it will be easier for us with them. And next, documents have now been prepared with Kazakhstan and Kyrgyzstan. I hope that they will agree and there will be four states.

[Svanidze] Boris Nikolayevich, according to reports by the mass media, tomorrow the State Duma of Russia, at the initiative of the Communists, is going to consider the issue of denouncing the Belovezhskaya Pushcha agreements and it is quite possible that this issue will be resolved. What is your opinion on this?

[Yeltsin] First of all, in a country where the president is the head of state it is impossible to resolve an issue without his participation. That is why I do not agree with you when you say that it is quite possible that the issue will be resolved. I say that the issue will not be resolved, and that is all there is to it. This is very harmful to Russia, it is very harmful. The Communists are doing this for the sake of the present political situation and for the sake of the elections, as they can see that we are gaining very serious political points through our policy of integration. The people can see that the states have begun to unite. Look, everybody has been saying each [state] is going in different directions, but it turns out that they are becoming united. The people of Belarus have reacted to this very well. They have held a referendum and the referendum has shown that they are precisely in favor of integration.

Of course, this is very unpleasant development for the Communists; they were not expecting it. They did not think that we would manage this quite so quickly. And therefore this [the Duma move to denounce the Belovezhskaya accords] is their response. This response is purely for the present political situation. Because we have been working on this for at least a year and a half precisely, and we were not even thinking about the elections then. But they have only just seized on it now.

It is harmful for Russia, internally and externally. They should think about this. They should think about how Russia is to live, how Russia is to develop and get onto its feet and have complete stability. They should give it further thought; they should think it through.

In the last resort I shall undertake my presidential measures.

[Svanidze] Boris Nikolayevich, if we can return to the referendum of five years ago, everyone remembers that it dealt with another question, too. And people voted in favor of that one, also. It was the question of introducing the post of President of Russia. Do you think that this post has justified itself and the necessity for it?

[Yeltsin] Yes, I think, in the first place, Russia, historically, from earliest times, in its 1,000-year history, has been used to there being one person and some sort of vertical power structure that really exercises power. It is strong, it can do more than just speak, it can also act. And at the head of this stands one single person. This has remained in people's heads. That is the first thing.

Second, there are two alternatives — parliamentary or presidential power. What is parliamentary power? They split up into groups and factions — as happened in the short period of the Soviet Supreme Soviet — and they do not decide anything because they are not responsible to anyone. That is what happens. It will be simply a body that will be subordinated to the party, once again — whether this is called the Communist Party or something else, but subordinated to some party, and that is all. There will be no democracy there.

[Svanidze] In the Communist Party program there is a point and it occupies a very prominent place there...

[Yeltsin, interrupting] Yes, against the presidency.

[Svanidze] What do you think? Why is the post, the very institution of president, elected by the whole people, absolutely incompatible with soviets and what will happen if, say, the soviets return once again?

[Yeltsin] What exactly are soviets? Well, I worked in soviets and I also know what these things are. There is no democracy in them. Soviets are organs of the

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party. And whatever the party has said then the soviet — whether this be a rural, village, town, region, republican, or any other soviet — decides that way. There was no democracy of any sort there. You cannot say anything different from what you have already been told when you were going to the meeting of the soviet. The soviet is only an artificially created mask to try to show that it is a democratic body.

[Svanidze] Why can there not be both a president and soviets, and why can they not be combined with each other?

[Yeltsin] No. There is a clearly defined vertical structure of executive power. You understand? A vertical structure of executive power. The president, the government, ministries, heads of administrations, or presidents of our internal Russian republics.

And this vertical structure extends from start to finish. It constitutes power. It organizes power. It is a different matter that there are still lots of things that are not working. It still happens, for example, that Yeltsin issues and edict and it is not fulfilled. There is no proper supervision yet, there is no expedition, there is no discipline, there is no order. Quite simply people have to a large extent lost their way at first.

And now gradually they are starting to get used to the market. They are starting to understand what it is. They are gradually starting to get used to trusting someone. Of course this should be the leader of the country, the leader whom the people really trust. Therefore, it is clearly stated in the Constitution that he is elected for four years by direct, secret, nationwide ballot, by the whole people.

[Svanidze] Boris Nikolayevich, on the theme of elections. You began your presidential election campaign very early and very actively. Will it not turn out that you will play many important trumps too early? That is one question. Another question is: Can you physically withstand such a distance?

[Yeltsin] As for my physical condition, I have fully recovered from my illness. Now I am working full time — well, there have been many periods when I was not working full time, but overtime, over and above what is normal. This will occur again. Probably, one and a half months before the election I will have to work 20 hours a day. This will occur again. But this does not apply at present. I am working 12-14 hours and sleeping for four hours.

But with regard to [the election starting] early or late, I am not yet registered. I cannot travel all round round Russia as a presidential candidate on election business. I can travel as a president on business. But I cannot travel around as candidate. When I am registered, say, at the beginning of April, then, of course, the active part of the election campaign will begin. At present it is not yet sufficiently active.

[Svanidze] When will your program finally be worked out and made public?

[Yeltsin] This shows that we are not in a hurry and that we are not revealing our nuances. The Communists have not yet made public their program either. They are keeping it secret, too. Therefore, it is a waiting game, as it were. I believe that I will be elected. I belive it. I have optimism, I am in a good mood. That means, my intuition is that I will win.

Russia: Foreign Ministry Regrets Duma Vote on Belovezhskaya Accord

LD1503151096 Moscow INTERFAX in English 1345 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW, March 15 (Interfax) — The Russian Foreign Ministry will study thoroughly the Duma resolution concerning the 1991 Belovezhskaya Pushcha agreement on the Commonwealth of Independent States, and make public its attitude to the agreement, director of the ministry's department for relations with Russian regions, the parliament and public-political organizations Valentina Matviyenko told Interfax Friday.

The very idea of denouncing the agreement is "legally groundless, politically disadvantageous for Russia and capable of inflicting damage on Russian national interests," she said.

Matviyenko lamented the Duma's failure "to inquire about the opinion of the Russian Foreign Ministry" when preparing the resolution.

At the same time, any evaluation "should be preceded by a calm and unemotional analysis of the documents and their possible consequences," said the diplomat.

Russia: Zyuganov, Yavlinskiy Discuss Belovezhskaya Accord

LD1503130196 Moscow NTV in Russian 2100 GMT 14 Mar 96

[Interview with Gennadiy Zyuganov, Communist Party Leader and Grigoriy Yavlinskiy, Yabloko leader by unidentified correspondent; place and date not given — recorded]

[FBIS Translated Text] [Announcer] Gennadiy Zyuganov, the leader of the Communist Party, whose office is adorned with a large relief map of the Soviet Union, is confident that revoking the decisions made

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by the Supreme Soviet of the Soviet Union will be beneficial.

[Zyuganov] Five years ago the people of the Soviet Union voted for a united country. Their will is the highest ranking sovereign, the supreme authority, and for any law-maker it is law.

Therefore, from the moral and political points of view, any normal power should do this. It is another matter that disintegration has taken place de facto. There are real sovereign states now, there is a real tragedy experienced by everyone, and most of our troubles have their roots there, in Belovezhiye. This is evident to all. On the Tajik border, in the Caucasus with all this war on, and in the once rich Ukraine and in a very hard-working and nice Belarus. I have toured all these areas, and I had meetings everywhere, be those with presidents or law makers or ordinary people. Everyone understands — we must restore, we must make these ruptured knots and arteries grow together. The question is, how?

This does not mean that, if such a decision is made, then tomorrow somebody will force somebody else to restore everything. This means making a moral and political decision. Then, a stage-by-stage, gradual restoration of the destroyed should follow, on the basis of the peoples' will. What will this lead to? We shall live and see. But I am sure that integration is the main trend on the planet. Those countries who fought the war in Western Europe, have set up their own union. North America is establishing its own market. The Pacific region is being integrated almost completely. And we are dispersing, we are building customs points. For instance, near Kharkov — never in our life did we have such things.

Well, [reiterates] stage-by-stage, gradually, towards a customs union, to the restoration of trade and industrial links, [pause] well [pause] by making laws which will make it possible to restore cultural, scientific, educational ties and then to move further. Over the past two or three years work has been done quite intensively in this direction, despite the resistance of the opponents to this ideas.

[Correspondent] If I understood you correctly, if this decision is made tomorrow, it will not have any practical value whatsoever.

[Zyuganov] No, you are not right. This will be yet another step towards the restoration and utilisation of the will of the peoples.

[Correspondent] Are you sure that the results will be the same of a referendum similar to the one conducted in 1991. In 1991 the referendum was devoted to the preservation of the Soviet Union, and now it could be a referendum on the restoration of the Soviet Union, will the results be similar?

[Zyuganov] I have a feeling that the results could be even better. At that time two thirds [of the electorate] turned up at polling stations, and this time many more people would have voted.

[Correspondent] The Yabloko leader, Grigoriy Yavlinskiy, believes that the initiative of the Communist Party of the Russian Federation is useful — but from the opposite point of view. In his opinion, the Communist Party of the Russian Federation's proposal, against which Yabloko is going to vote, shows the face of the communists in all its ugliness on the eve of the presidential elections.

[Yavlinskiy] Practically speaking, this is not likely to mean anything. However, this will mean that the people who are in the [Communist] party will again show that their idea of reality is absolutely morbid and that they are extremely dangerous. This is what it is all about. The Communist Party of the Russian Federation is a dangerous party. It is dangerous because it is heading for power. The denunciation itself, or, in other words, to make it clear to our TV-viewers, proclaiming almost all Russian borders, apart from those with China and Finland, as no longer valid. In other words, prerequisites will be created for something like what we are already having in Chechnya.

The party is assuming this responsibility. That is, this party is the party of people who do not understand what is going on and what has happened over the five years. Besides, this is the party who has voted for the Belovezhskaya Pushcha. If not for this party, the Belovezhye agreement would not have materialised. The party supported these agreements, the party voted for them, and Zyuganov himself was canvassing everyone to vote for this decision. Later he did say they had been fooled, but it was later.

[Correspondent] As you can see, opinions vary considerably among the leaders of the Duma factions. The Communist party's faction can be supported by the Agrarians and the group of Nikolay Ryzhkov. Yabloko and Russia Is Our Home will vote against. The result of the voting will most likely depend on the stand of independent deputies.

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Russia: Yeltsin Addresses Regional Leaders on Wage Payments

LD1403212496 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 14 Mar 96

[From the "Vremya" newscast]

[FBIS Translated Text] [Announcer Igor Gmyza] A few hours after returning from Egypt, where he discussed the struggle against terrorism with the heads of world powers, President Yeltsin got to grips again with purely Russian problems. The president is continuing his offensive on all fronts of the war he has declared against delays in the payment of wages. From 15 March, all Russian regions will be included in a timetable for the repayment of the debt.

[Begin recording] [Yeltsin] We will proceed in the following manner. From tomorrow, all regions will be included in the timetable which will settle all issues of wage payment. Every day all Russians will be informed of progress via television. Say, for example, the timetable shows that repayment should have been completed in four regions. In other words, funds have been allocated by the government, from the local budget, and from other sources responsible for nonstate enterprises and organizations — for which you are also responsible, unquestionably. The progress report will say, for instance, that one region has completely paid all wages, another has done the same. But in another region the head of administration — or his deputy — has been lax.

[Unidentified speaker] That's clear, Boris Nikolayevich.

[Yeltsin] And appropriate conclusions will be drawn. [end recording]

[Gmyza] The Russian president uttered these words during his first video link-up with the heads of administration of the Maritime and Khabarovsk Territories and of Novosibirsk, Sverdlovsk, and Samara Regions. This was made possible thanks to completion of the world's longest digital communications line. A global telecommunications circuit was officially completed today.

However, admiration of what they had seen did not last long, and the participants in the computer conference immediately got down to the urgent problem of repaying debts. Vladivostok came on the line. Our correspondents filmed both ends of the president's conversation, one of which was 7,000 km from Moscow. [video shows Maritime Territory governor Yevgeniy Nazdratenko]

[Begin recording] [Yeltsin] We must not retreat from the March deadline for the repayment of wages. You know this perfectly well from my statement in Yekaterinburg. We have to settle up. Your responsibility — that of the local budget — is to pay teachers, doctors, and some other sections of the population. Our responsibility, that of the federal budget, is to pay the military. We will settle up with the military ahead of schedule. We won't wait until 31 March to pay them in full.

[Nazdratenko] Not a single ruble has reached the Territory. So far, all we have is the decision which we signed with [Prime Minister Viktor] Chernomyrdin.

[Yeltsin] Viktor Stepanovich [Chernomyrdin] tells me the money was sent off today. So, wait until tomorrow. [laughter]

[Nazdratenko] Boris Nikolayevich, you can seen how amused the audience is!

[Yeltsin] Well, let's check it out tomorrow. Let's have another link-up tomorrow, just like this one, and we'll check and see what's happened. [laughter] We'll look each other in the eye. [applause] [end recording]

[Gmyza] Boris Yeltsin joked that he will not have to call on the carpet culprits so often now, which will result in a great savings on business trips.

[Begin recording] [Yeltsin] This is now the only way we will communicate with other. It's nice and fast. I just have to press a button and there you are, on the screen. I press another button and you disappear just as quickly. [laughter]

How was the decree on land received?

[Samara Region Governor Konstantin Titov] Well. Villagers have wanted land for a long time. So this was the correct decision.

[Yeltsin] Good. Thank you.

[Titov] There must be a master of the land. [end recording]

[Gmyza] That's what the link-up between the president and Samara looked like. Konstantin Titov, the governor of the region, reported that wage arrears owed to teachers had been completely repaid out of the local budget. He then compared the establishment of the new digital communications link, which brings Russia into a single worldwide system of information exchange, to the window on Europe which was carved out by Tsar Peter I.

Incidentally, not a single kopeck from the state budget was spent on the laying of the underwater optical fiber cables and the construction of radio relays. Everything was done on a commercial basis. The work was carried out by Rostelekom in less than two years.

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[Begin recording] [Russian Communications Minister Vladimir Bulgak, identified caption] The problem of international communications has been resolved in Russia for the next 15-20 years. [end recording]

[Gmyza] Russia's Communications Minister Vladimir Bulgak looked like a real birthday boy today, even though he did not receive a decoration, unlike some of his subordinates. The president expressed personal thanks to him and gave him a lengthy handshake.

The new digital line across Russia links Italy, Turkey, and Ukraine with Japan and South Korea. The leaders of those countries, except for the Turkish and Japanese leaders, also took part in the video conference which Boris Yeltsin conducted today from the Moscow Center of Electronic Communications.

In farewell, the Russian president asked scientists to give some thought to ways of shaking hands with each other, in addition to audio-visual contact, in order to have a sense of human warmth.

[Begin Yeltsin recording] Until we meet again. Goodbye. [end recording]

Russia: Yeltsin Concedes on Reforms To Avoid 'Politicized' Senate

MM1503093396 Moscow TRUD-7 in Russian 15-21 Mar 96 p 3

[Report by Yuriy Lepskiy: "Translating the Language of Politics"]

[FBIS Translated Text] Here is the sequence of events: Boris Yeltsin meets with Yegor Stroyev, chairman of the upper house of the Russian parliament; according to both, their conversation proceeds constructively and in full mutual understanding and leads to certain concrete results. One result may be a new concept for the work of the Federation Council, which is increasingly beginning to be discussed in the corridors and offices of the building on Malaya Dmitrovka. But there is no official confirmation of this. Nor have any arguments been heard to support the appearance of a new Federation Council course. Well, since there are no arguments, let us look at the facts.

What most worried Boris Nikolayevich during his conversation with Yegor Semenovich? According to Stroyev himself, the inadmissibility of the politicization of the upper house of parliament during the presidential election period. Translated from political into normal layman's terms, I think that this is what this might mean. The State Duma as the springboard for Boris Yeltsin's support during the presidential elections has been lost once and for all, never to return with the coming to power in the lower house of the powerful Communist Party of the Russian Federation faction and company. Most likely by politicization Boris Nikolayevich meant activity which directly or indirectly promotes the election success of Communist candidates. Yegor Stroyev is a thoughtful, very wise man and therefore he categorically assured the president that he would not allow any politicization of the parliamentary chamber in his charge. The president in turn, easily translating Stroyev's political assurances, got a clear idea that he can count on the support of the heads of the regions, who make up the Federation Council. What is more, he is perfectly well aware that they hold not only the right of collective "veto," capable of blocking any draft law adopted by the "Communist" Duma, but are also able to influence the voters in the regions of Russia that they lead.

Needless to say, Stroyev as an experienced politician was bound to appreciate the opportunities that could open up before the Federation Council if the upper house is not "politicized" during the presidential election period. There is reason to think that these opportunities have already been articulated and amount to the basis of the new course that was discussed. What are the elements of the Russian Senate's new role?

First, it seeks to control the distribution and redistribution of budget funds destined for Russia's regions. The intention is even to set up its own budget administration, which is to monitor the activity of the Ministry of Finance on the basis of its own information.

Second, it is quite possible that the Federation Council will become the main body formulating the so-called strategy for Russia's economic security. There is every indication that it will be based on an increase in the power of state levers of economic management, a cooling of relations with the International Bank for Reconstruction and Development and the IMF, and a return to the fold of a unified Russian economy by such regions as Maritime Kray, Sakhalin, and Kaliningrad Oblast, which have of late been gravitating toward the economic systems of neighboring foreign territories.

Third, it is most likely the Russian Senate that will tackle the problem of the country's food security (that is also an issue). The intention here is to review the list of main food importers and follow Japan's example in employing the services of several suppliers of the same product at once in order to preclude possible diktat on the part of a monopolist supplier and, lastly, ensure guaranteed state procurements from Russian producers and a system of grants, subsides, and soft loans. The main element here is considered to be stepping up state management of agriculture in every way.

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It is easy to see that all the above mean a considerable modification to the reform course. It cannot be ruled out, however, that these will also constitute the first elements in the program of the new government that will take office after 16 June.

Russia: Yeltsin Meets With Mayors, Regional Heads in Kremlin

LD1503094596 Moscow ITAR-TASS World Service in Russian 0758 GMT 15 Mar 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Text] Moscow, 15 Mar (Itar-Tass) — The presidential election campaign should be a progress report not only of the head of state but of all Russian executive authorities from top to bottom. This thought was emphasized by Russian President Boris Yeltsin who today had a meeting in the Kremlin with the mayors of Russian towns and the heads of regional administration and heads of local self-government.

The president drew the attention of those gathered to the fact that it is not so much the federal center as the regional and local authorities who bear responsibility for the situation in the regions.

The 5th anniversary of the Union of Russian Towns was the occasion for the meeting.

Opening the meeting, the president said that during these years the union had grown considerably stronger and that it is making itself heard increasingly confidently in the adoption of state decisions.

Boris Yeltsin said that Russia's traditional image as a rural country is now long in the past. New Russia's destiny depends in many respects on the prospect for the development of the towns, where over 70 percent of the population live, he added. Every sixth Russian lives in one of the twelve cities with a population of 1 million and over, the president said. The country's main economic potential is concentrated in the towns, the bulk of the national income is produced here and it is from there that the taxes are collected for the regional and federal budgets.

"It is in the towns that the democratic transformations and the economic reform have got the upper hand, they were backed above all by townsfolk and are being advanced today most of all by their efforts," the head of state noted.

During the president's meeting with local leaders preparations for the presidential elections and the development of local self-government were discussed.

Russia: Yeltsin To Attend Congress of Reelection Supporters

MM1503115196 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 15 Mar 96 p 2

[Report by Viktor Vodolazhskiy under the "Presidential Marathon" rubric: "Without Buffet Meals or Concerts"]

[FBIS Translated Text] First a few facts and figures made public at the first session of the council of the all-Russia movement of public support for B.N. Yeltsin in the Russian Federation presidential election. Precisely 256 collective supporters of the current president in the election have now been registered in Russia. Support committees are operating in all 89 regions of the Russian Federation, and 8 million signatures have already been collected for Boris Nikolayevich's candidacy.

The date of the first congress of the movement of public support was named at the council session — it will be held in the "Rossiya" Movie and Concert Hall 6 April.

Council Chairman Sergey Filatov pointed out in conversation with ROSSIYSKAYA GAZETA's correspondent:

"Boris Yeltsin has decided to attend the congress as a registered candidate with a specific election platform. This will be a detailed program of state development over the next four years."

The participants in the council session agreed that the congress will be a purely working meeting: no concerts, buffet meals....

The journalists invited to the council session were interested in this question: On what kind of voter is B. Yeltsin counting?

In S. Filatov's opinion, 40 percent of voters have not yet decided what stand to take.

"This is our electorate, for which we are obliged to struggle," he said. "Do not forget also the considerable number of voters who profess truly democratic principles and who are sincerely devoted to the transformations being conducted in the country. Our task is to rally these currently disparate groups."

Vladimir Babichev, chairman of the NDR [Russia Is Our Home] Executive Committee, who participated in the council session, also expressed a very definite opinion:

"The most important thing in the NDR's work now is to carry out efficient organizational work both at the center and in the regions, where we have lots of supporters, in support of Yeltsin's reelection."

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Russia: Prosecutor Notes Breaches in Yeltsin Signature Collection

LD1503094996 Moscow ITAR-TASS in English 0920 GMT 15 Mar 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW March 15 (Itar-Tass) — A high-ranking Russian prosecutor reported that three ministries had breached the law by collecting signatures for the registration of President Boris Yeltsin as a caniddate at the June 16 presidential election.

Deputy Prosecutor General Vladimir Davydov told the State Duma on Friday that three departments forced their employees to sign for Yeltsin.

Thus, the administration of several railways of the corresponding ministry organised the collection of signatures, fixed the deadline for the campaign and employees had often to sign for Yeltsin to receive wages.

However, Davydov said the Railway ministry leadership had not ordered the campaign.

However, the chief administrator of the Communication ministry would face administrative punishment for ordering such a campaign, the prosecutor said.

The third department which breached the "Law on the President of the Russian Federation" was the State Committee for Metallurgy.

Davydov said the office of the Prosecutor General ordered all the three department to immediately cease the violations, while regional prosecutors were instructed to mount control over lawfulness in election campaign.

At least one million signatures are necessary for a presidential candidate to get registered. So far only Communist leader Gennadiy Zyuganov has been officially registered for elections.

Signatures can be collected by the so-called initiative groups which are to be registered by the Central Election Commission.

Russia: Yeltsin Orders Changes to Cadre Policy Council

MM1503130296 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 15 Mar 96 p 3

[Untitled Russian Federation Presidential Directive 122 signed by Russian Federation President B. Yeltsin on 12 March 1996]

[FBIS Translated Text] As a partial amendment to Russian Federation Presidential Directive 82 of 17 February 1994 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 8, p 656) Yegor Semenovich Stroyev, chairman of the Russian Federation Federal Assembly Federation Council, is included (by cooption) on the Cadre Policy Council under the Russian Federation president; D.A. Volkogonov, A.I. Kazakov, A.V. Kozyrev, A.M. Kurbatov, D.D. Rumyantsev, I.P. Rybkin, S.A. Filatov, and V.F. Shumeyko are dropped.

It is laid down that N.D. Yegorov, member of the Cadre Policy Council under the Russian Federation President and leader of the Russian Federation Presidential Staff, is cochairman of the said council.

[Signed] B. Yeltsin, president of the Russian Federation

[Dated] 12 March 1996

Russia: Yeltsin Signs Amendment on Deputies' Service Status

MM1503125896 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 15 Mar 96 p 3

[Russian Federation Federal Law 24 "On Making an Amendment to Article 6 of the Federal Law 'On the Status of the Federation Council Deputy and the Status of the State Duma Deputy of the Russian Federation Federal Assembly'" adopted by the State Duma on 9 February 1996 and signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 12 March 1996]

[FBIS Translated Text] Article 1. An amendment is to be made to the Federal Law "On the Status of the Federation Council Deputy and the Status of the State Duma Deputy of the Russian Federation Federal Assembly" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 2, p 74), setting forth Part 3 of Article 6 as follows:

"Servicemen, enlisted and command personnel of internal affairs organs, and employees of prosecutor's office organs elected State Duma deputies suspend their service in the posts previously held for the period during which they exercise their powers as deputies. The conditions and procedure for suspending military service and service in internal affairs organs and prosecutor's office organs are laid down for a State Duma deputy by a federal law."

Article 2. This Federal Law comes into force on the day of its official publication.

[Signed] B. Yeltsin, president of the Russian Federation

[Dated] 12 March 1996

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Russia: Edict, Commentary on Governors' Dismissal Published

MM1503112996 Moscow ROSSIYSKAYA GAZETA in Russian 12 Mar 96 p 6

[Decree No. 90 of the Russian Federation Federal Assembly Federation Council "On Russian Federation Federal Assembly Federation Council Members Pavel Nikolayevich Balakshin and Yuriy Vasilyevich Belykh," signed by Ye.S. Stroyev, chairman of the Russian Federation Federal Assembly Federation Council, in Moscow on 22 February 1996 and followed by commentary by Anna Kozyreva: "Afterword to Document. Senators Request President To Suspend Edict on Removal From Office of Two Governors Until Their Status Has Been Determined" — from the "Documents" section]

[FBIS Translated Text] Having examined the question of the removal from office of Russian Federation Federal Assembly Federation Council members P.N. Balakshin and Yu.V. Belykh, the Russian Federation Federal Assembly Federation Council decrees that:

1. The Federation Council Committee for Constitutional Legislation and Judicial and Legal Questions is instructed together with the Federation Council Credentials Commission to prepare findings on the legal grounds for the removal from office of the Federal Assembly Federation Council members who were appointed to state posts by Russian Federation presidential edicts, and to submit it for scrutiny at the next Federation Council session.

2. The Russian Federation president should be requested to suspend Edict No. 221 of the Russian Federation president "On P.N. Balakshin" and Edict No. 219 of the Russian Federation president "On Yu.V. Belykh", both dated 21 February 1996.

3. The Federation Council Committee for Constitutional Legislation and Judicial and Legal Questions and the Federation Council Committee for Federation Affairs, the Federation Treaty, and Regional Policy are instructed to prepare a draft federal law on the status of Russian Federation Federal Assembly Federation Council members.

4. This decree comes into force from the day of its adoption.

[Signed] Ye.S. Stroyev, Russian Federation Federal Assembly Federation Council chairman

[Dated] Moscow, 22 February 1996
No. 90

"Afterword to Document. Senators Request President To Suspend Edict on Removal From Office of Two Governors Until Their Status Has Been Determined" [Kozyreva commentary]

An absolutely unprecedented occurrence took place at the upper chamber's latest session: Senators blocked a presidential decision to remove two administration heads from office. What was the problem?

The chairman of the credentials commission, who announced the edict, put to the vote the question of the removal from office of Federation Council members Pavel Balakshin and Yuriy Belykh. You see, as we know, in accordance with the new law on the formation of the Federation Council, it comprises only heads of the regional executive and legislative branches of power.

At first glance everything is clear and simple: If a regional leader ceases to occupy his post, he also automatically ceases to be a member of the Federation Council. But this is only how the matter appears at first glance. There are, as they say, legal nuances and particular circumstances here. First about the circumstances.

The fact of the matter is that governors are divided into both elected governors and presidential appointees. There are at present approximately equal numbers of the former and the latter. All the appointed governors would like to undergo a process of election and not feel dependent on the central authorities. However, the election of administration heads will only begin after the presidential elections. This is why after discovering that Boris Yeltsin had signed an edict to remove two governors from office the rest began to get concerned. Right away there were rumors that there was a whole "black list," at the top of which this pair appeared, and the next "victim" would be Vologda Governor Nikolay Podgornov.

There was good reason to be concerned. The edict said that Saratov Oblast Administration Head Yuriy Belykh had been dismissed for "gross violations of citizens' labor rights by misdirecting funds allotted from the federal budget for the payment of workers' wages in the budget-funded sectors and for other social payments."

Arkhangelsk Oblast Administration Head Pavel Balakshin was removed from his post "for gross violations committed in the use of targeted credit which had been allotted for the transportation of products to Far Northern rayons...."

The piquancy of the situation lies in the fact that it is possible to accuse many people of such transgressions these days. The center is delaying money transfers. The regions sit there without any money. And the governors try to use those sums which are appropriated as "targeted credit" to stop up all sorts of gaps. Which is why they pestered the mandates commission chairman with

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questions about whether or not the legality itself of removing the administration heads from office had been checked. In the end the chamber decided to invite Chief of the Presidential Staff Nikolay Yegorov to explain what had actually happened.

Nikolay Yegorov came to the Federation Council immediately. He practically repeated the edict word for word and added that the president had received a letter from the Russian Federation general prosecutor requesting him to remove from office the Vologda Oblast administration head, because, as a result of a number of checks, misdemeanors had been discovered involving the inappropriate use of budget funds. The money had been appropriated for the purchase of grain, but the grain was not bought in time and the money was put in a commercial bank where it "lay doing nothing."

Podgornov himself came forward and explained that, to use his own words, although he really had put the "grain money" in a commercial bank, his oblast had as a result received a sum of money that was significantly higher than the original one. "What's wrong with that?" Podgornov asked.

"What is wrong is that if money was allotted for the purchase of grain, it should be spent specifically on this" — was Yegorov's viewpoint. But he was already being bombarded with fresh questions.

"I also received money to pay wages," one man says, "but people are freezing in their homes in my region. Were I not to buy fuel for the power stations, there would be nobody to pay wages to!"

"In my region the border guards are starving, they don't have the means to buy bread," another man said, losing his temper. "Surely I can give them something from the allotted funds? What, will the president get rid of me as well?"

"He certainly will remove you if he discovers that money is not being spent in your region on that for which it was intended!" the Presidential Staff leader maintained firmly....

As we see, diametrically opposed views clashed with one another on that day. You can, of course, sympathize with the governors. From a purely human point of view. And even understand them. But as we know, the law is the law. And the law directs the spending of targeted credit on strictly defined items. Not on any others. However worthy these other items might be. But how actually can the expediency of this or that item of expenditure be determined afterward? One person will want to spend money on the construction of housing while another will want to spend it on the purchase of medicines.... Yet another will prove convincingly why it is essential to begin the construction of a new plant. What can you say; it would be good to have the money for all these good works. But unfortunately the situation as yet forces us to put the money toward that which is most necessary — the payment of unpaid wages. People simply must receive the money that they have earned. In short, the governor is obliged to follow the law. There are no two ways about it.

The governors' resentment was compounded by the fact that they discovered about their dismissal from news reports. "Why on earth did no one from the administration speak to us and tell us about the edict?" Balakshin complained. This really was uncivilized. At this point Yegorov had nothing to say. Like he also could not explain why the wording of the edict quoted in the mass media differed from the wording in the document received by the Federation Council, in which both governors were, as they say, dealt with under the same article.

It is, of course, clear why in principle this happened. One of the high-ranking officials who drew up the documents simply did so in a careless manner. This is the first point. Second, another official thought that there was no point in standing on ceremony with a dismissed person and spending money on an official document and a courier.... And no one thought that this might show the president up. Had it not been for these "blunders," it is possible that the upper chamber's reaction would not have been so stormy. But instead we even heard such pronouncements as: "The person who advised the president to sign this edict committed a crime. It must be investigated!"

I talked with Vladimir Platonov, chairman of the Federation Council Committee for Constitutional Legislation and Judicial and Legal Questions, about the purely legal aspects of what had happened. This is his view:

"The point is that all those who became members of the upper chamber on the basis of the Law 'On the Procedure for Forming the Federation Council' have no status. There is a Law on the Status of Federation Council Deputies. But we are actually members and not deputies, as we were not elected but appointed as senators. The first problem we encountered was to decide whether the old Law on the Status of Deputies extended to Federation Council members. According to Article 24 of this law, the president should clear dismissals with the chamber.

"The adopted Federation Council decree says that our committee is instructed together with the Credentials Commission to prepare findings on the legal grounds for removing these officials from office and to request that the president suspend the edict. Aside from this, our

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committee was also instructed to draw up a law on the status of members of the chamber. Why did we think it possible to request the president to suspend the edict? Because we actually want to get to the bottom of the procedure. You see, from now on administration heads are no longer simply governors and senators but have another legal status. The aforementioned Law 'On the Formation of the Federation Council' does not mention which laws remain in force as a result of its adoption, and which do not. We have run up against a legal vacuum. This is the whole point."

Russia: Land Edict Not To Help Peasants Long-Term

MM1403150496 Moscow SELSKAYA ZHIZN in Russian 14 Mar 96 p 1

[Article by Yuriy Savin: "Don't Lose Your Fields, Peasants"]

[FBIS Translated Text] Today our newspaper publishes the full text of the Presidential Edict "On the Implementation of Citizens' Constitutional Rights to Land." Let us, readers, study carefully this really important document, which could have huge consequences for the future of the countryside and the country because the first assessments of it have been so diametrically opposed, ranging from "second agrarian revolution" in the pro-government mass media to predictions that that the edict will disrupt the countryside and sow strife among peasants in the opposition press. And both claims could, after all, become true.

I think that SELSKAYA ZHIZN will turn to this document frequently, but even on first acquaintance with it you are forced to question its drafters' claim that nothing out of the ordinary has occurred. At the press conference on Monday 11 March Aleksandr Zaveryukha, vice premier of the Russian Federation Government, and Valeriy Alakoz, deputy chief of the Russian Federation Committee for Land Resources and Land Management, claimed that the edict is merely the latest stage in land reform and simply provides a mechanism for the exercise of those rights of peasants to land which have already been proclaimed.

And that would seem to be so. Echoing the champions of new "revolutions" in the countryside, the edict demands that certificates be issued to owners of land shares — and, according to the Russian Federation Committee for Land Resources and Land Management's own data, 95 percent of citizens have these documents. The edict calls for an increase in allotments used for personal subsidiary farming through land shares — and this right is enjoyed in many places. Contractual relations between land-share owners and a collective farm are proclaimed — and this practice exists in reality.

Scarcely anyone is going to dispute particularly that the edict reminds peasants of their rights. The editorial office's mailbag shows that by no means everywhere have peasants felt themselves to be real owners of cooperative and share-based property. Does a pensioner share-owner always receive help and support?

But the main reason for such a situation is not explained by the way the right of ownership is exercised. The root of the problem, as the majority of peasants have found out for themselves, is the misguided nature of the authorities' economic policy in the countryside. The countryside has lost 186 trillion rubles from the disparity in prices alone in the last five years — it could take 15 years to obtain this money from the federal budget. The majority of collective farms have become lossmaking. And 60,000 private farmers went broke last year and abandoned their allotments!

This should be the authorities' first consideration. Instead, dubious measures of land redistribution — called for some reason a "mechanism" — are being proposed. How can you manage an individual plot — which does not actually exist yet — without the agreement of the other participants in share ownership and without taking their interests into account?! How without offending people can you divide common fields into equally valuable plots when no proper register of agricultural land has been set up? All-powerful officials from the administrations and land agencies are again being made the arbiters in disputes. And peasants are still being advised to initiate lawsuits.

Consider, readers, the moment chosen to launch the extensive purchase and sale of land. Leaving aside even how appropriate this kind of upheaval is on the eve of spring sowing or how big the temptation to earn some cash is to the penniless countryside today, does it need to be said what the upshot of this step could be to agricultural enterprises, without which the life of the majority of peasants is impossible today and which, as foreign experience also suggests, will help Russians compete successfully in the world food market in the future.

Will the sale of land assist the peasants? It may help them manage in some way for a short while. But do bear in mind that even in Moscow Oblast the price of remote plots of land has fallen by half, two-thirds, or more. If a lot of land is thrown onto the market, the price per hectare will simply become worthless. Rural workers themselves could lose their jobs and means of making a living forever.

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The following appeal has unfailingly arisen in all the former socialist countries which have embarked on the market route: Peasants, do not give up your land! And it has always paid off. It seems the time for such words has now come in Russia.

Russia: U.S., Other Envoys Invited To Comment on Alien Draft Law

MM1403212896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15-22 Mar 96 p 3

[Report by Vasiliy Ustyuzhanin: "Behind the Scenes: Overgrown Blockhead...at the Duma"]

[FBIS Translated Text] In February the U.S., French, and Vietnamese ambassadors along with a number of others received bulky envelopes from the Duma. They opened them up and read them. It turned out to be a message from A. Mitrofanov, chairman of the State Duma Committee for Geopolitical Issues. The deputy told the esteemed ambassadors that the committee had elaborated a draft law "On Aliens in the Russian Federation." They then learned the purpose of the draft law — "to formulate a mechanism governing aliens' legal liability for the violation of Russian legislation, the procedure for reducing periods of residence and deporting aliens from Russia," etc.

In conclusion the letter asked: "We would be grateful if you send us your wishes and suggestions regarding the draft law within the shortest possible timeframe and the committee will carefully consider them." The actual text of the draft law took up 34 pages.

American Thomas Pickering was evidently considerably surprised by the request. French Ambassador Pierre Morel was too. The news of the Duma package reached the Russia Foreign Ministry. From there a letter was sent to the parliament to State Duma Chairman G. Seleznev — Deputy Minister I. Ivanov described this kind of approval of draft laws (particularly the request — "within the shortest possible timeframe) as "fairly unique."

No one at the Committee for Geopolitical Issues was able to say whether there had been any response from the embassies to the draft law. "We are having a shakeup right now. We don't know anything," a staffer from the committee, whose telephone numbers were given in Mitrofanov's kind letters, said. The ambassadors evidently could not manage "within the shortest possible timeframe." They are busy people. And they do not want to be expelled. Even Pickering. Who knows what these people of Zhirinovskiy's have in mind (Mitrofanov is foreign minister in the Liberal-Democratic Party of Russia's so-called shadow government).

Russia: NDR's Belyayev Holds News Conference

LD1403165296 Moscow Russian Public Television First Channel Network in Russian 1500 GMT 14 Mar 96

[From the "Novosti" newscast]

[FBIS Translated Text] Negotiations should be started immediately in order to stop the war in Chechnya. However, they should not be held with Dzhokhar Dudayev, the leader of "Russia Is Our Home" [NDR] faction [Sergey Belyayev] believes. Agreement can be reached with field commanders; leaders of neighboring republics can take an active part in the negotiations process. Russia's top leadership should join such negotiations in the future, Belyayev maintains.

[Begin Belyayev recording] The president of the country should himself hold such negotiations, without any middlemen. [end recording]

That's what Sergey Belyayev had to say on the role of the defense minister in the Chechen events: the resolution of the Chechen conflict is not the question in which Grachev should be involved.

[Begin Belyayev recording] As far as the interest in Grachev's personality goes: if he smuggled out tights from a shop like the U.S. defense minister did, then this understandably would provoke some press interest. But as far as his work is concerned, there is nothing interesting there. [end recording]

Moving on to the elections, Sergey Belyayev said that the president did not need a special election campaign — only a strict compliance with his decrees and resolutions was required. In his opinion, the outcome of the elections depends on resolving two problems — the Chechen crisis and compensating clients' accounts in the Savings Bank. However, the recent unpopular decisions have not done much to enhance the president's credibility, Belyayev believes. Belyayev named among the latter the rise of rental payments, almost by 100 percent in some regions.

[Begin Belyayev recording] I can't say so far that everything is working in an orderly manner, and that everything is working for the elections. So far all is moving along inertially. I can't say if the team will manage to change in the space of three months. I hope it will if it wants to win. [end recording]

In an exclusive interview to our program, Sergey Belyayev denied the allegations that there is competition among the forces supporting the president.

[Begin Belyayev recording] We must first of all not talk about the competition, but about the coordination of all

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forces. We do not see any competitors. Zyuganov is our main competitor.

Russia: Nikitin Case To Be Taken Before Constitutional Court

BR1503103996 Oslo AFTENPOSTEN in Norwegian 14 Mar 96 p 5

[Report by Kjetil Bragli Alstadheim: "Five Weeks Without a Lawyer — Russian Constitutional Court Assesses the Nikitin Affair"]

[FBIS Translated Text] The case of Bellona employee Aleksandr Nikitin goes before the Russian Constitutional Court today.

Nikitin has been in jail for over five weeks, accused of espionage. The Constitutional Court will assess whether or not the treatment given to Nikitin violates the law. The case comes before the court today, and a ruling is expected in one week.

It was Nikitin's wife, Tatyana Chernova, who took the case to the Constitutional Court. She will attend together with [Nikitin's lawyer Yuriy] Schmidt. And Bellona leader Frederic Hauge traveled to Moscow yesterday afternoon to follow the case.

"I hope Aleksandr gets a lawyer. If we lose, it will be a serious problem for Russia. Then this will be more than ever a human rights case," the Bellona leader said.

Hauge said that several aspects of Nikitin's treatment will be raised in addition to the issue of the free choice of lawyer.

"He has not been properly questioned since he was arrested. Nor has the charge been presented to him in a legally correct manner," Hauge said.

Nikitin has been denied contact with his lawyer, Yuriy Schmidt, because the FSB [Federal Security Service] (the former KGB) is demanding that Schmidt be security vetted. Vetting of this kind means that the lawyer must accept surveillance on both his telephone and his mail and a ban on foreign travel. Schmidt, who is the chairman of the Russian Lawyers' Committee for Human Rights, has described these demands as a "gross violation of an individual's constitutionally enshrined rights."

Death Sentence

According to Hauge, it might also be necessary to raise the paragraph the FSB is using in the accusations against Nikitin. The FSB suspects Nikitin of having violated paragraph 64A of the criminal code on passing on secret information to a foreign power. The provision dates back to the Soviet era, and Schmidt maintains that the law no longer applies. The question is important, because violation of the old paragraph can incur the death sentence.

The Norwegian authorities are closely following the Constitutional Court's treatment of the Nikitin affair. "We expect the case to be dealt with in accordance with both Russian law and international legal principles," Foreign Ministry Press Spokesman Ingvard Havnen said.

Aleksandr Nikitin, a former submarine captain, has worked for Bellona investigating the scale of the nuclear problems on the Kola peninsula.

Military, Nuclear & Space Issues

Russia: Grachev Returns to Moscow From Chechnya

LD1403163796 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 14 Mar 96

[FBIS Translated Text] Defense Minister Pavel Grachev returned [to Moscow] this afternoon from a working visit to Chechnya. According to sources in the Chechen Government, Grachev met with the command of the federal forces, leaders of the special services in the republic, and members of the Chechen Government. It is understood that the minister studied the situation there on the eve of a meeting of the [Russian] Security Council scheduled for tomorrow at which a program for settling the Chechen conflict is to be adopted.

Russia: Grachev, Podkolzin Views Airborne Troops' Role

MM1403155496 Moscow KRASNAYA ZVEZDA in Russian 14 Mar 96 p 1

[Report by Anatoliy Stasovskiy: "Russia Had, Has, and Will Continue To Have Airborne Troops. Russian Federation Defense Ministry Collegium Session 13 March Chaired by Army General Pavel Grachev Examined Prospects for Development of Airborne Troops"]

[FBIS Translated Text] Opening the session, Russian Federation Defense Minister Army General Pavel Grachev noted that the "airborne troops currently do not correspond to the tasks they are supposed to resolve." These tasks, Army Gen. Grachev stressed, were defined decades ago and are no longer relevant. According to the defense minister, the experience of interethnic conflicts and localized wars recently has made it increasingly obvious that the Airborne Troops must develop in a different way. It was stressed furthermore that in the solution of complex current problems much will depend on the state's actual potential, and on funding above all.

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Army Gen. Pavel Grachev also noted that the recent accusations leveled at the Russian Federation Defense Ministry and the Russian Federation Armed Forces General Staff about the alleged attempts to destroy the Airborne Troops are groundless. According to the defense minister, the problems of the development of the Airborne Troops are being dealt with by the specialists and they are the only ones who should do so.

The main report on options for the development of the Airborne Troops was delivered at the collegium session by Colonel General Yevgeniy Podkolzin, the commander of the Airborne Troops. The collegium session was held behind closed doors?but when it was over Col. Gen. Yevgeniy Podkolzin talked about some of the problems that had been discussed.

As for the results of the collegium session, the Airborne Troops commander noted that a decision was made to work on the proposals put forward in the report and in the speeches by deputy defense ministers and chiefs of main directorates, and the question of the development of the Airborne Troops will be examined again 15 May. Col. Gen. Podkolzin stated that the defense minister had said in his closing address to the session: There have been, are, and will continue to be Airborne Troops and they will be strengthened by the receipt of new hardware and armaments.

Of course, the commander noted, it cannot be said that the Airborne Troops are going to be transformed dramatically overnight, but as the state of funding and the economic situation in the country generally improve the Airborne Troops will begin to receive the very latest hardware.

Col. Gen. Podkolzin stressed that the radical changes in the Airborne Troops will be implemented primarily by increasing personnel numbers and improving the quality of armaments and by identifying specific new tasks for each combined unit in peacetime operations, operations immediately prior to war, and wartime operations.

The Airborne Troops commander noted that the old tasks are indeed outdated and that it is now necessary to proceed primarily from the concept of our state's security. Hence the directive from the Russian Federation Armed Forces General Staff which identifies the tasks of the airborne assault troopers. This also includes questions of the Airborne Troops' duties in peacetime: conflicts, and helping the population in various types of natural disaster and with the evacuation of equipment and weapons.... For the troops, clearly defined tasks are really important and very relevant. After all, the Airborne Troops are well-trained and mobile forces which even today are involved in combat actions.

Speaking about the Airborne Troops' current level of mobility, Col. Gen. Podkolzin noted that today the assault troops are exceeding by a factor of two the norm for mobile redeployment from one region to another.

The heightened attention paid to Airborne Troops by the mass media in particular, the commander said, is the product largely of the efforts to develop and reform the Airborne Troops and to transfer airborne brigades to military districts. There have been harsh discussions even among airborne troops officers primarily because of the tight schedule involved in this process. The situation today has stabilized and everyone now understands the aims and options for the subsequent development of the Airborne Troops. Four Airborne Troops brigades have been transferred to the military districts, and the divisions are under the operational jurisdiction of commanders and are fulfilling the territorial tasks of the districts where they are stationed. These divisions always have been, are, and will remain airborne assault troops.

Speaking about the problems that exist today within the Airborne Troops, Col. Gen. Podkolzin noted that the main one is, of course, inadequate funding. It is impossible to prepare for the fulfillment of the set tasks or to carry out combat training without sufficient money. The level of staffing of units and subunits is a serious problem, in the opinion of the Airborne Troops commander.

Col. Gen. Podkolzin also took up the subject of the attacks on Russian Federation Defense Minister Army Gen Pavel Grachev, which have intensified sharply recently. He noted that when people say these things about the defense minister they are impugning the honor of all Armed Forces personnel. These are attacks on the country's entire Armed Forces, the commander stressed, let alone servicemen of the Airborne Troops, because the defense minister also served with the Airborne Troops. That is why we demand, Yevgeniy Podkolzin stated, that those who for some unknown reason are mounting an antiarmy campaign should apologize to the defense minister.

Russia: Grachev's Tour of Moscow, Caucasus Units Viewed

MM1203170196 Moscow KRASNAYA ZVEZDA in Russian 11 Mar 96 p 1

[Report by Aleksandr Pelts: "Army Is Not Only Carrying Out Combat Missions. It Is Providing Amenities for New Camps and Rendering Them Habitable. On the Results of the Russian Federation Defense Minister's Tour of Moscow and North Caucasus Military Districts"]

[FBIS Translated Text] The inspection tour of many garrisons in Moscow and North Caucasus Military Districts

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took up practically the entire preholiday week. Its purpose, as KRASNAYA ZVEZDA has already reported, was to study servicemen's social problems and defense complex enterprises' potential and to forge closer contacts with local executive branch organs. Besides this, Defense Minister Army General Pavel Grachev's attention was naturally focused on questions regarding the provision of amenities and the organization of combat training for the troops carrying out missions in the Chechen Republic.

It should be noted that the defense minister is paying by no means his first visit to many garrisons. This was prompted above all by the very acute social problems which units and combined units withdrawn from the line are encountering. For example, a guards tank division stationed in the vicinity of the populated area of Boguchar was withdrawn, as the saying goes, to the middle of nowhere. Prefabricated panelboard houses and tents did not, of course, eradicate the problem. Therefore here, as in many other places, the construction of a modern housing complex was organized.

Of course, nothing came easy. But now it can be said confidently that the efforts of many thousands of people — customers, leaders, and ordinary construction workers — have yielded the expected result.

I do not propose to list the new complexes' merits, although they fully deserve to be. I will note the main thing: All of them, whether in Boguchar, Voronezh, Rostov-na-Donu, or Krasnodar, are modern housing complexes with all the infrastructure necessary for convenient living. Another important feature is that the complexes have been built practically at the limits of these populated areas. "Now we will not put up fences around military housing complexes," the defense minister noted. Besides the mutual conveniences for both servicemen and civilian inhabitants (many modern social and cultural facilities are located in the complexes), this will make it possible to expand the construction of complexes on a material and technical base that has already been created. The relevant accords with contractors (in the main they are foreign companies) have already been reached.

Needless to say how the officers (there are over 6,000 of them in total) felt when they received such coveted vouchers. And this is only the first phase.

It is entirely reasonable to ask who will primarily move into these beautiful homes and take their children to convenient kindergartens and spacious, light schools. After all, despite the very rapid rate of construction (for example, in Krasnodar a housing complex of 2,000 apartments took from 1 February through 31 August 1994 to build), housing waiting lists are getting shorter slowly. Army Gen. Grachev also paid attention to this. Therefore, when addressing Krasnodar Garrison officers he noted that a differentiated approach is needed when tackling the housing problem. Undoubted priority must be given to those who have carried out or who are carrying out combat missions in the Chechen Republic, irrespective of other circumstances. Naturally, Afghan War veterans must not be forgotten either, some of whom have unfortunately still not been provided with housing.

But on the whole, noting the undoubtedly great amount of work to build homes and provide amenities for troops in these districts, Army Gen. Grachev stressed the need to further increase the rate of construction. "Next year," he noted, "even more homes must be put up and construction in complexes which are now inhabited must be continued."

The defense minister devoted special attention during his tour to those units and subunits which are now located in Chechnya. In Groznyy, as we have already reported, he visited a separate motorized rifle brigade commanded by Colonel Valeriy Nazarov. I do not think it is worth repeating the difficult conditions in which soldiers and officers are serving and military construction workers are building a housing complex here. Yet, despite the numerous difficulties, the brigade is making itself at home and carrying out its set tasks adequately.

Having inspected the housing, recreation, and facilities area [zhilaya i parko-khozyaystvennaya zona], the defense minister was on the whole pleased with the quality of construction. But new facilities which cannot be delayed either are in the pipeline. This is especially urgent in connection with the situation that has lately become more difficult not only in Groznyy but also in the Chechen Republic as a whole.

It must be specially stressed that wherever Army Gen. Grachev has visited in these past days, during his meetings with personnel he always devoted great attention to the problem of settling the situation in the Chechen Republic. How could it be otherwise: Very many soldiers and officers have already been there and many still face the prospect of undergoing a baptism of fire in clashes with the bandits.

As is known, Army Gen. Grachev met with Doku Zavgayev, head of the republic, and Chechen Government members in Groznyy. After this meeting and a thorough discussion, the defense minister noted, he changed some of his views on the ways and methods of settling the conflict. Noting that he had not come to Groznyy to step up combat operations (which Dudayev's gunmen immediately and despicably exploited — A. P.), the Russian

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Federation defense minister made a number of proposals to stabilize the situation.

The main one was to seek peaceful ways above all on the basis of internal Chechen dialogue. "Now," Army Gen. Grachev noted, "there is no need to carry out any military operations in Chechnya." Organized and major bandit formations have been smashed. Small mobile groups operating simultaneously in several areas are causing confusion and giving the appearance of active resistance. Of course, there can be no dialogue with them. They will be eliminated during special operations in which servicemen will be given the primary mission of surrounding and sealing off the gunmen along an external perimeter.

The meeting with Zavgayev and the Chechen Government members, Army Gen. Grachev stressed, also brought certain changes to the assessment of the processes now taking place there. Yes, the remaining groups of gunmen are trying to sow fear and panic by any means. It is understandable that the press and television are devoting their main attention to such clashes. "But beyond that," Army Gen. Grachev stressed, "we are for some reason forgetting that in the selfsame Groznyy the water supply has been restored, there is gas, transportation has been gotten going, local administration organs are working, and that people's lives may not be easy but they are becoming peaceful."

At the latest Security Council session Army Gen. Grachev, Russian defense minister, reported to Russia's highest leadership on the results of work in Moscow and North Caucasus Military Districts' units and combined units and on conclusions concerning possible ways of settling the crisis in Chechnya.

Russia: Northern Fleet Starts Exercises in Barents Sea

LD1403222696 Moscow ITAR-TASS World Service in Russian 1444 GMT 14 Mar 96

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Translated Text] Murmansk, 14 Mar (Itar-Tass) — A surface ship brigade of the Red Banner Northern Fleet began exercises in the Barents Sea today in as close to real combat conditions as possible. The ships detected foreign submarines in the course of the exercises and were able to shadow them for a lengthy period, but not remove them from the exercise zone, ITAR-TASS was told at the unit headquarters.

Foreign submarine activity in the Arctic is of a reconnaissance nature, according to Northern Fleet analysts, who say the reason is that the aircraft carrier Admiral Kuznetsov of the Soviet Union Navy is due to return to the area in a few days after its inaugural long-range voyage to the Mediterranean. The ship's crew will take part in the exercises just begun, ITAR-TASS was told at the Northern Fleet press office.

Russian Navy General Staff representatives told ITAR-TASS correspondent Anatoliy Yurkin in Moscow that the fleet's exercises were "routine and part of the combat training program for ships' crews, command headquarters and units."

They neither confirmed nor denied reports that "large-scale Northern Fleet maneuvers have been timed to coincide with major NATO exercises in Norway." But they did say that high-ranking naval officers from the navy's General Staff agreed with demands from several Russian politicians for a suitable response to NATO's increased military presence near our northern borders and polar shores.

Russia: Yeltsin Invites Ukraine's Kuchma to Nuclear Safety Summit

MM1403213296 Moscow TRUD-7 in Russian 15-21 Mar 96 p 11

[Unattributed report: "Yeltsin and Chirac Invite Kuchma" — from the "Ukrainian Edition"]

[FBIS Translated Text] Moscow — Russian and French Presidents Boris Yeltsin and Jacques Chirac have invited Ukrainian President Leonid Kuchma to take part in the closing session of the Moscow summit on nuclear safety issues 20 April. The Russian Federation Foreign Ministry Information and Press Department announcement says that the two countries' presidents proceeded on the basis of their "realization of the important significance of the subject of the meeting for Ukraine." The leaders of the G-7 and Russia will be taking part in the Moscow summit.

Russia: Soyuz-U Carrier Rocket Launched From Plesetsk

LD1403192396 Moscow ITAR-TASS World Service in Russian 1811 GMT 14 Mar 96

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Translated Excerpt] Plesetsk Cosmodrome, 14 Mar (Itar-Tass) — Servicemen of the Russian Military Space Forces today celebrated the 30th anniversary of the Plesetsk cosmodrome with the successful launch of the Soyuz-U rocket. The carrier rocket was launched at 2040 Moscow time [1740 GMT] from the 43rd launchpad of the cosmodrome.

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The Soyuz-U will put into orbit an observation satellite of the Cosmos series which will be used in the interests of the Defense Ministry. Plesetsk's history started off with the launch of Cosmos-112 on 17 March 1966. [passage omitted]

Federal Assembly

Russia: Duma Recognizes 1991 Decision on Preserving USSR

LD1503121296 Moscow ITAR-TASS in English 1150 GMT 15 Mar 96

[FBIS Transcribed Text] MOSCOW, March 15 (Itar-Tass) — The State Duma lower house of parliament today voted in favour of cancelling the decision of the Supreme Soviet of the Russian Federation dated December 12, 1991 which scrapped the agreement on the formation of the Union of Soviet Socialist Republics.

The Duma also approved a resolution recognizing as legally binding on the Russian Federation the results of the USSR referendum of March 17, 1991 on the preservation of the Union of SSR.

The document confirmed the juridical significance on the territory of Russia of the results of the referendum in which a majority of the population voted in favour of preserving the union state.

Russia: Kulikov Tells Duma of Growing Crime in Chechnya

LD1503105796 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 15 Mar 96

[FBIS Translated Text] The situation in Chechnya is continuing to develop in a direction that threatens Russia's security, Internal Affairs Minister Anatoliy Kulikov said today in his first address to the State Duma deputies.

[Correspondent Khitarov] Anatoliy Kulikov believes that the situation there is extremely tense. The increase in the overall number of professional criminals is contributing to the unfavorable social situation. During 1995, 5,000 crimes were committed in Chechnya, most of them serious ones. In particular, kidnappings have become usual. The going ransom for the release of kidnapped people was 25 million rubles.

The confiscation of weapons manufactured in 1995 shows that Dudayev still has powerful sources of financing. At the same time, the minister assessed the Internal Affairs Ministry's financial position as critical. Hence the fact that the militants are better equipped and, consequently, the large numbers of fatalities. This year alone, 260 Internal Affairs Ministry staff members and servicemen of the interior troops were killed and almost 1,500 sustained injuries.

Minister Anatoliy Kulikov believes that the State Duma should urgently strengthen the legislative base which will be able to help in resolving the Chechen conflict. What is required in particular is a revision of the articles on the rehabilitation of repressed peoples, antiterrorist work, the use of servicemen to resolve internal conflicts, and also the adoption of a law on armed conflict as a whole.

Russia: Stroyev Cited on Meeting With Yeltsin on Agrarian Reform

MK1503102496 Moscow NEZAVISIMAYA GAZETA in Russian 13 Mar 96 p 2

[Report by Konstantin Katanyan: "There Should Be An Agrarian Reform Concept"]

[FBIS Translated Text] The problems of agrarian reform featured among the most important subjects touched upon in the latest meeting between Russian Federation President Boris Yeltsin and Federation Council Chairman Yegor Stroyev.

Yegor Stroyev has been dealing with agricultural problems for more than 40 years, both in theoretical and practical terms, as head of the administration of one of Russia's oblasts. On the other hand, despite his past association with the CPSU Central Committee, Stroyev is a vigorous supporter of agrarian reform who realizes that the current state of affairs in agriculture does not serve the development of production relations and keeps our country as the biggest importer of grain, milk, and meat products.

Telling journalists about his meeting with the president, Yegor Semenovich [Stroyev] dwelt in particular on the question of the protection of Russian peasants, which proved impossible to resolve once and for all even with the abolition of serfdom, in the course of Stolypin's reforms, by Stolypin [himself], by Lenin's edicts, or later, in the years of Soviet rule. "Reform has been going on now for so many years, but there is in fact nothing to show for it today," Stroyev stressed.

The president and the speaker agreed that passing a Land Code is not enough to achieve a breakthrough in this matter. It is expected to be passed in April. It is necessary to elaborate a concept of agrarian reform that will really protect the Russian peasant. Such a concept should take account of both legal questions of regulating market relations in agriculture and questions of the social protection of peasants, for whom "shock therapy" spells total ruin.

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Serious reform would of course call for considerable funds, which would have to be found in the budget. And such sizable funds can hardly be released at once. But deciding against any restructuring in agricultural production only on this basis would mean to doom the country to a half-starved existence and constant dependence on the West. Therefore, Stroyev believes, the most important thing is to hammer out a concept, to structure it in the form of a realistic program for tomorrow, and to make it legally binding as state policy in the field of agriculture. It is also necessary to create, for the duration of the transition period, such conditions that agricultural enterprises do not interrupt their work even for one day.

Incidentally, some regions in Russia tried to resolve this question independently, regardless of the federal authorities, and even scored some success. Since Orel Oblast is one of the leaders in the field, the president became interested in the experience the region gained largely thanks to the efforts of its head, and listened attentively to Stroyev's proposals, which can be used not only on the regional but also on the federal level.

"I looked at the problem in wider terms," Yegor Stroyev shared his experience. "One can ask for a subsidy, one can impose discipline, but the most important thing is that it should generate budget revenue. And this is possible if the country's production works, if a plant works, if an agricultural enterprise works, no matter if it is a joint-stock, collective, or private company, whatever."

Orel Oblast gambled precisely on a variety of forms of property, and made no mistake. At the moment, private production in the agrarian complex accounts for 50 percent of the meat and milk and between 70 and 95 percent of the vegetables, apples, and potatoes. Private enterprises have not only cut the number of the unemployed but have also begun to contribute to the budget.

A loaf of bread in Orel sells for 1,500 rubles [R], which is less than the average in Russia. This has become possible, according to Stroyev, through setting up a market structure called "Orlovskaya Niva," which "in the spring helped the peasants sow their crops and harvest them in the fall, provided them with spare parts, and purchased their grain at twice the price recommended by the Russian Federation government, or R600,000 rather than R300,000 per tonne." But once the oblast purchased 100 percent of the grain it needed for its own consumption, it has not raised the price since. The peasants believed that they would not be deceived and that they can and should be friends with the firm that supports them.

Now, Stroyev grinned, "we have grain to last until the next harvesting season anyway." Orel Oblast leads Russia in the production of meat, milk, eggs, and grain and is prepared to feed Moscow, St. Petersburg, and other industrial centers unless those who oppose agrarian reform do not throw a monkey wrench in the works.

If the president heeds these arguments of Stroyev, one should think that it is the opinion of members of the Federation Council, rather than the opinion of State Duma deputies, that the president will mainly rely on in the near future in making fundamental decisions with regard to agrarian reform.

Russia: Agrarian Deputies Group Deplores Land Rights Edict

MM1503110196 Moscow SOVETSKAYA ROSSIYA in Russian 14 Mar 96 p 2

["The Countryside Is Becoming More Impoverished With Every Passing Hour. Statement by the Russian Federation State Duma Agrarian Deputies' Group"]

[FBIS Translated Text] On 7 March 1996, amid political secrecy - - behind the backs of the peasants, behind parliament's back — the Russian Federation president signed the Edict "On the Implementation of Citizens' Constitutional Right to Land," which signifies a new phase in "market reforms" and is perhaps equal in its destructive force only to privatization "Chubays style."

The signed edict, which concerns the truly momentous question of Russia's development, bypasses existing legislation. The edict establishes the conditions and procedure for the use of land, including its purchase, sale, exchange, and the donation of plots of land, in defiance of Part 3 Article 36 of the Russian Federation Constitution.

The edict is pushing Russia toward the voucherization of land and a new "universal repartition" [of peasant lands, as in late 19th century].

Four years ago, in the spring of 1992, in accordance with the Edict of the Russian Federation President "On Urgent Measures To Implement Land Reform in the RSFSR" dated 27 December 1991, kolkhozes and sovkhozes were reorganized and turned into joint-stock companies on the basis of collective-share ownership, or, in other words, private ownership. As a result of this reorganization, the number of agricultural enterprises increased from 25,600 to 319,600, that is, by a factor of 12.5; around 40 million citizens obtained ownership of plots of land, over 12 million rural inhabitants became owners of land shares.

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So what has changed in the country's food situation as a result of these "reforms"? Has the volume of agricultural output increased?

In the past five years sown areas in the country have decreased by over 15 million hectares, and the volume of gross production in agriculture (as compared with the previous five-year period) has fallen by 34 percent. Russia has regressed to 1963 in terms of the level of grain production and to 1961 in terms of cattle. Livestock productivity has fallen sharply. The commissioning of production plants and residential buildings has decreased by a factor of over nine. The decommissioning of capital assets exceeded their commissioning by over five times. The population is actively becoming impoverished, mortality has risen sharply, and the demographic situation is deteriorating.

We Agrarian deputies, who live among the people and who know the problems and hopes of Russian peasants from first-hand experience, state:

The edict of the Russian Federation president is the latest destructive blow to befall agricultural production. It is another step toward the loss of the country's food security and Russia's complete dependence on food imports.

By stimulating the division of land into small plots, the Edict "On the Implementation of Citizens' Constitutional Right to Land" violates the constitutional principle of equality and equal protection of all forms of ownership and all forms of land management, and leads to the economically unjustified splitting up of large farms into small formations. At the same time, the edict does not in any way improve the position of private farmers, who are experiencing the same financial and economic difficulties as collective farms.

We believe that the key to solving the urgent problems of the agrarian sector is to be found not by any means in immediately starting to trade frenziedly in land, but in eliminating the disparity in prices, in stimulating production by a reasonable financial-credit and tax policy, in supporting the social sphere of the countryside, and last but not least, in the stability of legal conditions for land use and land ownership.

We are opposed to the arbitrary administrative-compulsory confiscation of land and property from those who have obtained them lawfully.

We are in favor of a diversity of forms of ownership of land, so that all forms of management — private farming, large-scale agrarian production, and smallholdings — can develop effectively. But we are opposed to compulsory reform in the countryside which ignores the opinion of the peasants.

The Russian countryside is our providing mother, the cradle of our culture and spirituality, and not a test site for irresponsible experiments.

Russia: Communist Challenge to CIS Basis Criticized

MM1503115896 Moscow ROSSIYSKIYE VESTI in Russian 15 Mar 96 p 2

[Report by Vladimir Pavlov: "Belovezhskaya Agreements Did Not Contravene Any of the Legal Norms of the Time"]

[FBIS Translated Text] The Communist Party faction has submitted a draft State Duma decree "On Reaffirming the Legal Force of the Results of the USSR Referendum of 17 March 1991 on the RSFSR," which it plans to discuss at today's plenary session of the lower house of parliament.

As you have probably already guessed, this heralds the latest attempt to have the Belovezhskaya agreements denounced. Every time that elections are in the air the Communists proclaim this slogan in the hope of winning older voters' sympathies. Admittedly, even oppositionists like General Lebed, who are spiritually akin to them but more pragmatic, just shrug their shoulders: "Those who do not pine for the Union have no heart, but those who want to restore it have no brain either...."

There is every reason to think that this time too the left-wing opposition will make fools of themselves with their initiative. After all, strange as it may seem, it was the Belovezhskaya agreements that reaffirmed the legal force of the referendum's results.

Best not be in a hurry to argue. We would do better to remember how the main question in the referendum was worded: "Do you want to preserve a renewed Union?" (or something of the kind). But the point is that a new treaty — on the formation of the CIS — was signed at the same time as the former Union Treaty was denounced in the Belovezhskaya Forest. The linguistic difference between the terms "Union" and "Commonwealth" is minor and debatable, but these terms have no legal force. Thus, the CIS could quite well be considered a "renewed union."

The republics were fully guaranteed the right to secede from the USSR by the "Brezhnev" Constitution of 1977. Admittedly, the mechanism for secession was not regulated. But the Constitution is a direct-acting law. If it fails to touch on any issues, they are automatically regulated by republic legislation.

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And there is complete order there. Under the RSFSR Constitution of the time all power belonged to the people, who exercised it via the soviets of people's deputies. Moreover, the supreme organ — the Supreme Soviet — was vested with the right to examine absolutely any issues assigned to the republic's jurisdiction by the Constitutions of the USSR and the RSFSR. As for secession from the Union, it came under republic jurisdiction, whereas only the admission of new republics to the USSR came under Union jurisdiction.

Thus, the Belovezhskaya agreements did not contravene any of the legal norms in existence at the time. This means that, in the event of an objection in the Constitutional Court, it will not be possible to supply a convincing defense of the decree. And that means that, as soon as the Duma adopts it, the Duma's prestige will only suffer. It would be all right if it were only the Duma's prestige that suffered. It would be worth remembering that by a strange coincidence discussion of the draft began at the same time as the Ukrainian head of government began his visit to Moscow. This step could be seen in Kiev as unfriendly, as an act of disrespect for Ukrainian sovereignty. Thus, our country's international prestige is also at stake.

Russia: Legislative, Regulatory Documents 3-9 Mar

96P50059

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Government 26 December Decree No. 1260 Amending Earlier Order On Merchant Seamen's Passports. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6) (100) (Text)

Government 2 February Decree No. 90 On Measures To Improve Utilization Of Komi Republic Production And Natural Potential. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 5) (2500)

Government 2 February Directive No. 130 Accepting Goskomimushchestvo Proposal To Extend Federal Ownership Of 51 Percent Of 'Balkashovskiy Kombinat Khleboproduktov' Company For Three Years. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (100)

Government 26 February Decree No. 169 Adding To List Of Strategic Enterprises In Which State Will Retain Shares. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5) (400) (Text)

Government 26 February Decree No. 174 Extending State Ownership Of Shares In River Transport. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5) (200) (Text)

Government 28 February Decree No. 190 Authorizing Goskomimushchestvo To Form Federal Real Estate Department, Tasking It With Formulating Appropriate Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 5) (200)

Government 28 February Decree No. 213 On Wage Supplements For Medical Personnel. (Moscow ROSSIYSKAYA GAZETA in Russian 7 Mar 96 p 3) (1400) (Text)

Government 28 February Directive No. 272 Ordering Grain Agency To Buy Up Corn Seed Stock. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6) (300) (Text)

Yeltsin 28 February Edict No. 293 On Mortgage Credit, Plus Irina Nevinnaya Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (3100/800)

Federal Law No. 22/96 On Individual Income Tax. (Moscow ROSSIYSKAYA GAZETA in Russian 7 Mar 96 p 3) (300) (Text)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Government 30 December Decree No. 1298 Extending Earlier Order On Dagestan-Azerbaijan Border Restrictions. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6) (200) (Text)

Government 27 January Directive No. 85 Ordering Implementation Of Legislation On Water Supply (100), With Nadezhda Neverova Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 6) (500) (Text)

Government 19 February Decree No. 157 Permitting Federal Administration For Special Construction Work To Have Six Deputy Chiefs. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 6) (150)

Government 19 February Directives Nos. 202 Through 208 Granting Trading Licenses To Various Russian Arms Firms (100 Each), With Commentary By Defense Industry Official Gennadiy Yanpolskiy (400). (Moscow

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ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5) (Summary)

Government 26 February Decree No. 168 Ratifying Licensing System For Environmental Improvement Activities Plus Associated Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5) (50/2200)

Government 26 February Directive No. 235 Extending Convicts' Employment Program Through 2000. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 6) (100)

Government 26 February Directive No. 236 On Opening Temporary Border Crossing To Facilitate Installation Of Harbin-Khabarovsk Optical-Fiber Line. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5) (200) (Text)

Yeltsin 1 March Edict No. 301 Amending Membership Of Presidential Council On Local Self-Government. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (200) (Text)

Yeltsin 1 March Edict No. 302 Amending, Augmenting Previous Edicts As Result Of Adoption Of Ecological Expert Analysis Law. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (400)

Yeltsin 1 March Edict No. 304 Nullifying December 1993 Edict On Pension Provision For Prosecutor's Office Personnel And Their Families In Light Of Adoption Of New Law On Prosecutor's Office. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (200)

Yeltsin 2 March Edict No. 305 On Procedure For Postponing Legislative Elections In Federation Components. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 1) (450) (Text)

Yeltsin 4 March Edict No. 318 On Reorganization Of Nationalities And Regional Policy Ministry Into Nationalities Affairs And Federal Relations Ministry. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 4) (400) (Text)

SECTION III: SCIENCE AND TECHNOLOGY

Government 28 February Decree No. 209 On Program For Developing Biotechnology Industry. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6) (300) (Text)

Government 28 February Directive No. 251 On Plans To Celebrate Bicentennial Of First Vaccine. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6) (200)

Regional Affairs

Russia: Nemtsov's Plan To Curtail Presidential Authority Praised

MK1403143196 Moscow OBSHCHAYA GAZETA in Russian
No. 10, 14-20 Mar 96 (signed to press 13 Mar 1996) p 8

[Report by Ivan Zasurskiy: "Governor Assails the Constitution"]

[FBIS Translated Text] Nizhniy Novgorod Governor Boris Nemtsov has yet again stolen the show from the Moscow politicians. Having rejected Gaydar's urging to run for Russian president in the face of a mounting Communist threat, he turned out to have had something up his sleeve against a Communist, or any other threat that might arise from the presidential office. He proposed that an amendment to the Constitution be passed that would strip the president of a major part of his authority, including the right to single-handedly form the government, and also to put the executive authority under the parliament's tight control.

Nemtsov has once again made a spectacular move and attracted public attention. He has already been reproached for adopting a populist stance in connection with the campaign to collect signatures in protest against the war in Chechnya. To many people's surprise, however, the several files that were handed to the president had an impact on his official stance on the matter (this even prompted certain analysts to conclude that Nemtsov acted at Yeltsin's personal request, not on his own initiative). Will the governor be able to achieve any results this time around? Of course there are lots of obstacles in the path of Nemtsov's initiative. But this is the first time when the Russian Constitution can actually be amended.

An amendment can be sponsored by a Federation component's lawmaking body (such as the Nizhniy Novgorod Oblast legislature) or a group comprising at least one-fifth of the Federation Council or State Duma deputies. The amendment is adopted by a majority of "at least three-fourths of the overall number of Federation Council members and at least two-thirds of the overall number of State Duma deputies." It goes into force after it is signed by the president and approved by the legislatures of at least two-thirds of the Federation's components.

Thus it is the stance of the State Duma deputies and the regional authorities that matters in the first place. The Constitution cannot be amended on the spur of the moment — too wide a range of people is involved in the decision making process. Therefore, everything depends on what kind of atmosphere might come about

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in society, on how urgent and advantageous the subject of making amendments will be for the Duma politicians, and on the extent to which regional leaders would see this as a way out of the current situation.

As for the atmosphere of the election campaign, it is already palpably marked by fear. The president fears that somebody else might get the power; the democrats fear the communists; the communists, Yeltsin's hot temper, and also Zhirinovskiy. Finally, society is fearful of any outcome of the elections — a fear that will be only ratcheted up during the election campaign. The 1996 presidential elections are unique in this regard: They are absolutely unpredictable for all.

It is quite likely, therefore, that the amendment might cost the Nizhniy Novgorod Oblast governor enormous effort required to overcome the resistance of -increasingly intractable politicians. The Communists, feeling more and more self-confident, might insist on abolishing the presidency altogether or making other unrealistic changes to the Fundamental Law; the democrats might shout about a Communist majority in parliament and their readiness to take chances for the sake of victory — but in the final analysis everybody should become interested in lowering the stakes as the presidential elections draw closer. Suffice it for Nemtsov to carry the process of amendment making to this juncture. And his endeavor might succeed.

Nemtsov himself was extremely surprised to learn that his initiative came as a surprise. In his interview for OBSHCHAYA GAZETA, the Nizhniy Novgorod Oblast governor said that the need for making such an amendment "is absolutely obvious" and expressed his surprise that he contrived to upstage them all.

The thing is that Moscow politicians behave like gamblers in a casino, not like the representatives of public interests. Everyone expects to hit the jackpot in the event of an election. Everyone goes for broke. The observers who see how a choice between two evils — customary and hateful for Russian citizens — is being imposed on them, plunge into depression, or urge the authorities and the Communists to compromise (sometimes this reaction takes up sophisticated forms mixing depression and appeasement), or they urge support of Grigoriy Yavlinskiy, trusting that he can make it to the second round.

Of course, in the meantime no one takes into account the possibility of amending the Constitution, which might drastically change the situation, and considerably reduce the threat that both Yeltsin and Zyuganov will pose to the country should either of them be elected. In order to mull this over, what one needs is not the list of priorities Moscow politicians hang on to, but the list that most regional leaders have before their eyes. Any governor is first of all a realist burdened with immense responsibility, not a gambler. He cannot afford to bet on the unpredictable outcome of the elections. Being aware of the situation, he cannot but realize that miracles do not happen, while results can only be achieved through specific, systematic, and purposeful efforts. But not every governor can also act as a lawmaker.

It is not the first time Boris Nemtsov has stepped into the limelight. Time and again he has caused a sensation and become an increasingly influential figure in Russian public politics. Yet the question of what this might augur — his successful personal career or a change in the status of the regional elite — is still open.

Russia: Georgia, N. Ossetia Seen Toying With All-Caucasus Home

MK1503080696 Moscow KOMMERSANT-DAILY in Russian 14 Mar 96 pp 1, 3

[Report by Georgiy Dvali: "Caucasus Politicians Want To Play on Their Own Field According to Their Own Rules"]

[FBIS Translated Excerpt] The football match between Russian champion Spartak-Alaniya (Vladikavkaz) and Georgian champion Dinamo (Tbilisi) on 12 March in Tbilisi, called upon to improve Georgian-Ossetian relations, also became a good cover for confidential negotiations between the presidents of Georgia and North Ossetia. KOMMERSANT-DAILY has found out some details of the meeting between Eduard Shevardnadze and Akhsarbek Galazov which suggest that Georgia, for the first time since Zviad Gamsakhurdia's rule, can cease to be the center of Moscow's influence in the Caucasus. [passage omitted]

Eduard Shevardnadze's latest initiatives, in particular his confidential negotiations with Galazov, are viewed by Georgian political circles as a step back, toward the restoration of Zviad Gamsakhurdia's ideas. This time, however, the idea of the uniqueness of "Caucasus politics" fell on fertile soil: The North Caucasus elite is extremely unhappy with Moscow's policy (above all, the war in Chechnya) and therefore is not averse to consolidating its rear positions. Galazov's initiatives are the most eloquent evidence of this.

True, the North Ossetian president himself, apparently fearing Moscow's sharp reaction to his foreign policy statements, observed immediately after the talks that his idea and Shevardnadze's proposal are different initiatives, although they supplement each other. Furthermore, Galazov stressed: "The Caucasus is a single whole. Throughout centuries a Caucasus genotype has

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been formed, which in some places is referred to as 'person of the Caucasus nationality' [a widespread Russian clichi]. But those who use this concept in a derogatory meaning should remember that Rustaveli, Dumbadze, and Kosta Khetagurov were all of the Caucasus nationality." It is clear at whom this stone is aimed.

To be sure, Eduard Shevardnadze, a crafty and cautious politician, cannot fail to understand the danger of his political action. Yet he is indicating to Russia that, unless it revises its policy in Abkhazia, Georgia can take retaliatory measures in the North Caucasus. In his yesterday's TV interview Georgian Foreign Minister Irakli Menagarishvili observed meaningfully that the idea of a common Caucasus home was not to everybody's liking in Russia.

Even so, Caucasus politicians seem to be determined to go it alone. They want to play on their turf according to their own rules. The friendly Georgian-North Ossetian match ended in quite a friendly draw — 3:3. True, this may only be the start of a major tournament. On 18 March Eduard Shevardnadze will play an away match — in Moscow.

Russia: Experimental Taxation System Approved for Tula Region

LD1403225496 Moscow INTERFAX in English 2043 GMT 14 Mar 96

[FBIS Transcribed Text] MOSCOW, March 14 (Interfax) — The Russian government has approved an experimental taxation system for the agrarian sector of one of the country's regions.

The government endorsed a draft law which would simplify the taxation of farms and enterprises processing agricultural output by replacing today's 42 forms of tax - profit, land, property, local and other taxes - with a single tax, Tula Region Governor Nikolay Sevryugin told a news briefing in Moscow.

If passed by parliament, the law would be in force until the end of the experiment period.

The new tax would remain unchanged for several years and would not depend on the size of profit, Sevryugin said.

The system is expected to increase the national treasury's receipts, but Sevryugin said the main purpose of the project was to eliminate motives for concealing incomes. The new tax would also stimulate investment, he said.

Russia: Primoriye Governor Opposes Land Transfer to PRC

LD1403131096 Moscow INTERFAX in English 1134 GMT 14 Mar 96

[FBIS Transcribed Text] VLADIVOSTOK, March 14 (Interfax-Eurasia) — Primoriye Governor Yevgeniy Nazdratenko has requested the local and national legislatures to impede the transfer to Chinese control of almost 1,500 hectares of Primoriye territory, in the Russian Far East.

Part of the Primoriye Territory is to be handed over to China under Russian President Boris Yeltsin's decree on the completion of efforts to finalize the eastern span of the Russia-China border. The border finalization efforts were carried out in keeping with the Soviet-Chinese treaty of 1991.

The Primoriye legislature is planning to argue the legality and constitutional validity of Yeltsin's decree before the State Duma and, possibly, Russia's Constitutional Court, staff workers of the Primoriye legislature told the Interfax-Eurasia agency. An ad hoc commission will phrase the formal text of Primoriye's appeal to the State Duma.

Russia: Elite Army Units Around Moscow Not Being Paid

MM1503120796 Moscow KRASNAYA ZVEZDA in Russian 15 Mar 96 p 1

[Report by Aleksandr Oliynik: "Crack Divisions Also Have No Money"]

[FBIS Translated Text] Contrary to government assurances that money owed to the Army will be paid, the troops are still being starved of funds. It is now mid-March and the officers, warrant officers, and contract troops of the Taman Motorized Rifle Division, the Kantemir Tank Division, and many Moscow Military District units and large formations have still not been paid in full for January and February.

Our correspondent was told by Colonel General Vyacheslav Borisov, commander of the Taman Division, that as of the beginning of March the state owed over 6 billion rubles [R] in wage arrears and there is no money for other items of expenditure either. Things have reached the point where the division has no money to keep children in the children's preschool establishment.

To date the state owes Moscow Military District troops a total of R575.5 billion in pay.

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Russia: Karelia Pilots Declared Unfit To Fly Due to Hunger

LD1403234796 Moscow ITAR-TASS World Service in Russian 1531 GMT 14 Mar 96

[By ITAR-TASS correspondent Vladimir Zlobin]

[FBIS Translated Text] Petrozavodsk, 14 Mar — Aircrew here have been on strike for more than two weeks over unpaid wages. The Supreme Court of Karelia has ruled their action unlawful, but this changes nothing. There are no flights, including for medical purposes, taking place anywhere in the republic. The court's decision has forced aircrews to come to work, but doctors will not let them fly.

Because they are not receiving any wages, and therefore not able to eat properly, they are simply not in a fit state to be in control of an aircraft. Flight regulations also ban them from taking to the air in such circumstances.

About 1 billion rubles are needed to pay off the wage arrears owed to aircrew in Karelia, ITAR-TASS was told by Anatoliy Chernyshev, deputy director of the air company. However, the authorities here are in no hurry to settle debts dating back to last year, including for medical flights.

All hopes are now on Vladimir Kadannikov, first deputy prime minister, who has answered a call for help and instructed the Karelia Government to take action to pay to the aircrew the money they have earned.

Russia: Yaroslavl Car Workers Stage Strike Over Unpaid Wages

LD1303080296 Moscow ITAR-TASS in English 0649 GMT 13 Mar 96

[By Nelly Grigoryan]

[FBIS Transcribed Text] TUTAYEV (Yaroslavl Region), March 13 (Itar-Tass) — Workers of the local motor building plant - one of the largest enterprise of the Yaroslavl region have begun an indefinite strike today. The strikers demand to be paid wages for the past five months with indexation extras and children's allowances.

The enterprise built as an affiliated partner of the Kirov tractor building plant in St. Petersburg faces a critical situation in the sale of its production. The shortage of funds hampers the fulfillment of an investment programme for the creation of facilities for the construction of big passenger buses. The strike committee and the Trade Union of the plant have laid claims to the board of directors and the board of the joint stock society, blaming them for poor solution of these problems and demanded that managers of the enterprise be replaced.

Economic Issues

Russia: Yeltsin Appoints New Tax Chief

MK1403132396 Moscow KOMMERSANT-DAILY in Russian 13 Mar 96 p 1

[Report by Leonid Brodskiy: "Appointment Without Resignation"]

[FBIS Translated Text] The appointment of a new chief of the State Tax Service came as a sensation yesterday. By presidential edict, Vitaliy Artyukhov, the now former first deputy finance minister, was appointed to this post.

Vitaliy Artyukhov, 52, doctor of economics, professor, hails from Krasnodar Kray. From 1979 to 1988 he worked at the RSFSR Transport Ministry; from 1988 to 1991 [he was] deputy chief of the USSR Supreme Soviet's Finance and Business Administration; and from January 1995, first deputy finance minister.

It is noteworthy that at the same time as demoting former State Tax Service chief Vladimir Gusev (he became Artyukhov's first deputy), the president by his edict upgraded the status of this department, giving its chief the rank of deputy premier. From a purely practical point of view — the one that concerns the majority of taxpayers — this is of fundamental importance. Now with this status, the State Tax Service is comparable to, for instance, the State Property Committee, whose chairman also has the rank of deputy premier.

With this decision the president has restored the accustomed hierarchy of the tax agencies, which was somewhat disturbed with the adoption on 17 December of a law whereby the Tax Police Department, hitherto a structural component of the State Tax Service, was reorganized as the Federal Tax Police Service, the director of which both de facto and de jure became unaccountable to the State Tax Service chief. The restoration of the status quo means above all the preservation of "civil" leadership of the tax agencies and a demonstration of the priority which, from the president's point of view, the legal regulation of tax policy has over the purely power options. All staffers at the State Tax Service and the Federal Tax Police Service, however, deny in one voice the validity of their departments being opposed to each other. (True, in the course of conversations with them the impression was that they speak different languages: Whereas State Tax Service employees need only "protection," tax police officers describe themselves as the "main strike force.")

Analysis of the purely personal aspect of yesterday's edicts suggests that Finance Minister Vladimir Panskov's apparat positions are relatively strong; the promotion of his first deputy means a double gain in the

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ongoing defense operation. First of all, a person has left the ministry whom Panskov's ill-wishers, primarily presidential chief of staff Nikolay Yegorov, were promoting for minister. This decision would not have been possible without the support of the head of government, who personally oversees the Finance Ministry and the tax agencies. His interest in keeping Panskov, considering the latter's good relations with the president, serves as an additional guarantee of the immutability of the incumbent finance minister's positions. That Panskov has apparat clout is also evident from the fact that, according to informal sources, three years ago Vladimir Gusev actively supported the placing of then-first deputy tax service chief Panskov to Lefortovo [prison] on an absurd charge of accepting a bribe.

Russia: Dubinin on Regulating Banking Sector

964F1463A Moscow ARGUMENTY I FAKTY in Russian Mar 96 No 11, p 2

[Regina Lukashina report on comment by Sergey Dubinin, chairman of the Central Bank: "There Will Be Fewer 'Problem' Banks]

[FBIS Translated Text] The Government of Russia is about to tighten control of the activity of commercial banks. What action in this connection does the leadership of the Bank of Russia intend to take? We are given an answer by Sergey Dubinin, chairman of the Central Bank.

We are introducing norms of control of bank activity that correspond to international standards. This will occur gradually in order that we can as of 1 January 1997 make our high demands of all bank institutions. The law "Banks and Banking" affords us an opportunity to monitor a number of spheres of bank activity which we could previously reach only by presidential edict. Specifically, this applies to banks with the participation of foreign capital. The Central Bank is discussing documents on supervision and reorganization, and we will then send them to the Association of Russian Banks and other such associations. A department or other structure for the reorganization of banks that have found themselves in difficulties will be created.

We can no longer put up with a situation where banks have been stripped of their license, but continue to operate. This introduces disorganization and disrupts the order of priority of the repayment of debts to creditors. **It is time also to have done with the Central Bank's lack of legal instruments for compelling banks that have found themselves in difficulties to change their management, bring in interim management, and begin work on elimination of their insolvency.** According to the present statute, this may be done by its founders, but they do not take this route, as a rule. Consequently, a special institution needs to be given the right to impose interim management with the participation of the creditors. All this should be urgently put into effect—even at expense of the internal reserves of the banking system itself.

It will have to be suggested that the banks themselves give thought to the possibility of reorganization. Even those that are currently in a splendid position should take a look at the structure of their assets: Are their ventures not excessive, are their decisions successful, what is the credit portfolio risk factor? If they themselves perform such cleansing operations, we will offer them for this certain access to the Central Bank refinancing window. Those that are in difficulties must give thought as to how they should reorganize or merge with more stable banking institutions. This is particularly urgent in the regions, where the banks are without exception in a position of partial insolvency.

This is a typically domestic phenomenon. Overseas, if a bank fails to pay or holds up payment, it is deemed via the court to be bankrupt with all the ensuing consequences. This does not happen with us because the clients are afraid of losing everything and they... show patience.

The Savings Bank now has 30,000 branches, the Agroprombank, approximately 12,000. We have approximately 2,400 licensed banks. But there is clearly a lack of banks that are operating in stable and dependable fashion. And there are more than enough "problem" banks.

A small bank, incidentally, could be one that is stable and operating well. It is by no means necessary to be a giant. It is not necessary to lump them all in one heap and hope that this will make management more efficient. Although a large financial institution is more capable of attracting deposits since it appears more reliable and inspires confidence. **We will not aim at reducing the number of commercial banks. Merger and reorganization are not a plan to reduce the "herd" of banks, it is a plan for the cultivation of stable institutions.** If alongside stable banks others, no less stable, emerge and develop, this will only be to the good. Life itself will judge: In America the number of banks fluctuates between 14,000 and 15,000, and each year some become bankrupt or new banks are founded—this is normal.

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Russia: Russian Diamond 'Supermonopoly' Planned

MM1403122396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Mar 96

[Report by Sergey Ponomarev: "Yakutia's Diamond Crown. First Transnational Corporation Being Set Up in Russia" — from the "Business Tuesday" section, p 2]

[FBIS Translated Text] A press conference held last week in the Moscow office of the "Almazy Rossii — Sakha" [ARS] company was notable if only for its timing. At the end of February the Russian Federation Government and the South African consortium De Beers signed a memorandum on the basic principles of relations. This happened after several months of tough talks and a whole series of related scandals (the resignation of Ye. Bychkov, chairman of the Russian Federation Committee for Precious Metals and Precious Stones, who was dispatched on pension straight from the negotiating table, is surely enough in itself!). Discussion of the next three-year trade agreement with De Beers is to begin in mid-March. And it is ARS that will represent our country.

"Business Tuesday" facts: The ARS company, set up in 1992, extracts 99.8 percent of all natural diamonds on the country's territory. Last year it sold diamonds worth a total of $1.384 billion.

Assessing the results of three months of talks on the general agreement with De Beers, company president Vyacheslav Shtyrov defined them as "more or less satisfactory." Russia has pledged to sell to the De Beers Central Sales Organization uncut diamonds worth not less than $550 million. But more is possible — within the framework of Russia's 26-percent quota of annual De Beers sales.

"Furthermore, our partners have recognized the priority of supplying the Russian diamond-cutting industry with uncut diamonds."

According to V. Shtyrov, the company is prepared to sell uncut diamonds totaling around $900 million on the domestic market this year. The price is another matter. In the view of Aleksandr Kushtynov, first deputy general director of the Smolensk "Kristall" state production association, cited by INTERFAX, ARS' right independently to sell diamonds on the free market makes Russian diamond producers entirely dependent on the ARS pricing policy.

At the same time, in V. Shtyrov's view:

"Preferential prices have done nothing for the development of the Russian diamond-cutting industry. Many enterprises have begun to export uncut diamonds. An entire system for exporting them has been set up — through joint ventures or on a customer-supplied basis. As a result the profits go to the diamond-cutting centers of Belgium, Israel, and other countries...."

At the beginning of the year four ARS subsidiaries involved in the sale of jewelry and industrial stones were brought together to form a single sales organization (an exact parallel to the De Beers Central Sales Organization). And there is more to come. In the near future, V. Shtyrov claims, the sale of uncut diamonds on the domestic market will go over to entirely different principles: on a list basis to permanent clients selected by the company itself on the basis of special criteria, and to everyone else via an exchange.

"If we can develop our own sales network within three years, it is not yet known how relations with De Beers will be structured in future," V. Shtyrov observed significantly.

ARS' claim to totally unrestricted leadership, expressed in the formula "the nucleus of Russia's diamond complex," looks justified at first glance. The South African diamond consortium sets painfully hard, not to say one-sided, conditions for cooperation with Russian producers.

ARS has already received in trust from the government of Yakutia a controlling block of shares in the company "Tuymaada Diamond," and that covers 10 of the republic's diamond-cutting plants. Next in line are the major "Kristall" enterprises in Smolensk, Barnaul, and Moscow, which it would be best, in V. Shtyrov's view, to unite to form a single financial-industrial group. There is also a candidate for the role of the new financial-industrial group's credit institution — the Mirninskiy Joint-Stock Commercial Bank.

"We plan to adopt the De Beers way of acting," the ARS president admitted frankly. That means, in essence, an unprecedented concentration of all the production facilities and capital of Russia's diamond complex and the birth of a new supermonopoly. It is already too cramped in its original territory, in western Yakutia. ARS subsidiaries are actively prospecting for diamonds in Irkutsk Oblast and Krasnoyarsk Kray and making their way to the deposits already discovered in Arkhangelsk Oblast. Finally, they are beginning to extract gold, rare-earth metals, and titanium, in Mongolia and elsewhere, and trying to infiltrate emerald production....

"And why shouldn't we get involved in extraction in Africa?"

V. Shtyrov's question appears to be rhetorical. In early 1997 a small mining and enrichment combine with

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output of 1 million carats of diamonds a year is to begin operating in Angola. But here the prospects are such that it could rise to the level of the Udachnenskiy mining and enrichment combine, the world's biggest. There is another "range-finding" project in Namibia. If you remember that ARS, along with the Committee for Precious Metals and Precious Stones, is actively pushing the idea of creating an association of diamond producing countries, the prospects for De Beers begin to look rather gloomy....

But the relationship between the two diamond giants depends largely on the distribution of forces inside Russia. And in particular on which version of the program for the sector's development is finally adopted — that of ARS or that of the Committee for Precious Metals and Precious Stones. And according to V. Shtyrov they are "poles apart."

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International Affairs

Ukraine: Deputy Premier on Trade With Poland, Russia

WS1503133396 Warsaw RZECZPOSPOLITA in Polish 14 Mar 96 p 9

[Interview with Roman Shpek, Ukrainian deputy prime minister for economic matters, by Jedrzej Bielecki in Kiev; date not given: "Chances for Investments for Another Five Years"]

[FBIS Translated Text] [Bielecki] Ukraine's accession to the World Trade Organization [WTO] is a key issue for the development of economic cooperation with Poland.

[Shpek] The Ukrainian Government is holding intensive talks with the WTO, and I think that our country will meet all the requirements for membership of this organization as soon as this year. Among other things, we will have to liberalize our trade, but we are also counting on better access to the West European markets and easier methods of settling trade conflicts with Brussels. In light of the current problems, particularly those with deliveries of energy sources, it will be even more important to have a possibility of "civilizing" our relations with Russia, which should become a WTO member in 1997. Additionally, membership in the WTO is a prerequisite for our country's membership in CEFTA [Central European Free Trade Agreement].

[Bielecki] Is cooperation with Russia, a strategic partner for Ukraine, completely unpredictable now?

[Shpek] Russia receives loans from many international financial organizations, primarily the IMF, and thus assumes certain commitments, including those concerning behavior in trade relations. Moscow does not respect many of these commitments such as, for example, the agreement on liberalizing trade with Ukraine signed two years ago. For instance, Russian exporters have to pay ECU20 for each tonne of oil shipped to Ukraine as an export tax, and ECU3 in case of gas. Abolishing these duties not only would make it possible to lower prices for these raw materials in Ukraine, but would also increase their availability. Exporters would not have to pay money before receiving payments for delivered goods. Another example of Russia's behavior is the fact that the excise tax on goods exported to Ukraine is twice as high as the one on goods shipped to Poland or Western countries. We understand that the Russian Government has the right to levy excise taxes on certain goods, but they should be equal for all her trade partners.

[Bielecki] Why, in your opinion, is Russia discriminating against Ukraine?

[Shpek] Both Western exports and many Ukrainians think that in this way Russia wants to make Ukraine join the Customs Union, which currently unites it with Kazakhstan and Belarus, and then force Kiev to further economically integrate within the CIS. I think, however, that this scenario will not solve our economic problems.

[Bielecki] When will the government in Kiev allow a Polish bank to operate in Ukraine? In this regard, Lubelski Bank Kredytowy and Kredyt Bank have been exerting efforts for over four years now.

[Shpek] So far, only a branch of the French Credit Lyonnais is operating in Ukraine, which, by the way, has certain restrictions here. Ukrainian banks must first increase their capital and improve their services to let much stronger Polish, German, or U.S. banks into our market. On the other hand, we understand that no serious foreign capital will come to Ukraine without admitting Western banks. We are currently holding negotiations with a number of serious financial institutions such as Deutsche Bank or Westdeutsche Landesbank; a few U.S. banks have begun to display interest in the Ukrainian market. I think that these financial institutions will receive licenses to operate in our country as soon as this year. This will make it possible for them to participate in privatization processes which enable Western companies to invest considerable capital in Ukraine.

[Bielecki] Another proposal that has been presented by the Polish authorities for many years is the possibility of paying for bilateral trade transactions in zlotys.

[Shpek] The main reason why Ukraine wants to conduct payments in dollars and deutschmarks is the fact that Ukraine has the largest trade deficit with Russia, and our enterprises need dollars to pay for gas, oil, metals, chemicals, and other raw materials imported from the West. We obtain them [dollars and deutschmarks] mainly thanks to surplus in trade with our Western partners. This situation may last for another few years because it will not be possible to balance trade before 1998-2000. Until then, credits from international financial institutions will be used to cover the trade deficit and repay commitments for deliveries of gas from Russia and Turkmenistan. We are aware, however, that the current system of payments hinders trade with Poland and the Czech Republic, for example, and we want to gradually alter it. Last year we introduced full convertibility of our currency, the karbovanets, and full access to the Kiev Currency Exchange. For the time being, it is possible, in my opinion, to use clearing payments in interstate contracts.

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[Bielecki] The Ukrainian authorities constantly encourage Polish companies to invest in Ukraine. Are there any advantages envisioned for them?

[Shpek] Foreign capital operating in Ukraine has the same rights as domestic enterprises. Foreign firms which stared operating earlier here received certain exemptions. However, the fact that our country is a large, emerging market is currently the biggest incentive for investing in Ukraine. Although there is still no sharp competition here, every day there are more and more goods. Ukraine has an enormous industrial potential and cheap labor. The combination of Polish capital with these factors provides an opportunity to produce cheaper goods, for example, for markets located east of Ukraine, which are even more deficient. I have in mind Russia, though not Moscow or St. Petersburg but the central and eastern regions of the country. I see particular possibilities of jointly developing food processing. Ukraine has highly developed light and textile industries as well. Many foreign companies currently process their raw materials in Ukraine and then sell the finished products abroad. Owing to this, our exports to the EU market increased 16 percent last year. Another method of cooperation is taking over shares in Ukrainian enterprises which lack foreign capital. Ukraine is a large flax producer, and after it is processed, this raw material can be exported to the West. There are also possibilities of producing construction materials and providing construction services. As Zbigniew Brzezinski says, companies which will not do business with Ukraine in the next five years will truly regret this.

[Bielecki] Can Polish companies participate in Ukrainian privatization?

[Shpek] The government has slated over 200 large enterprises which will be privatized with the participation of foreign capital. There are no restrictions for Polish capital to take over small and medium-sized firms. They are sold at auctions, and those who offer not only the best price but also the best project to develop a company win. Interested people should get in touch with the Kiev- based State Property Fund, which is responsible for the entire process of privatization.

Agricultural land cannot be purchased by foreign capital as yet, though it is possible to purchase land to construct a gas station, for example. In case of setting up a joint venture with a Ukrainian partner, the latter can use purchased land as the initial share in the joint venture. I think that within the next several months it will be possible to liberalize trade in land as well.

[Bielecki] One of the main factors increasing the attractiveness of Ukraine as a place in which to invest is its macroeconomic stabilization. The introduction of a new currency, the hryvnya, is supposed to crown it.

[Shpek] The new currency will be introduced when the monthly inflation rate drops to 2 percent. It will then be possible for our country to use the international financial institutions' stabilization fund. I think that the hryvnya may appear as quickly as before this August, so that Ukraine can meet its fifth anniversary of regaining independence with a new constitution and a new currency.

[Bielecki] With strikes in Donetsk, problems with closing down the Chernobyl nuclear power plant, halting the construction of the Odessa [oil] terminal, and irregular deliveries of oil and gas from Russia, how is Ukraine going to resolve its energy problems?

[Shpek] According to the decisions made at the G7 summit in Halifax, Ukraine and the World Bank are developing a complex program for restructuring the power engineering sector. We want to modernize and develop hydroelectric power stations, as well as nuclear power plants and stations fed with gas and coal, to reduce the amount of raw materials needed for production of the same amount power. We also plan to decrease losses of energy during its transport. Complex restructuring of the coal mining industry will begin soon, right up to closing down unprofitable mines. We want to inaugurate extraction of our own gas and oil in Chernihiv and Poltava Oblasts, and develop oil deposits in the Black Sea and the Sea of Azov shelves with the aid of foreign capital.

The recent adjustment of energy prices for enterprises and private consumers to world prices and the abolishment of state subsidies were fundamental components of our program. A special credit from the World Bank will make it possible to crease energy reserves before the winter of 1996-97 to prevent delays in deliveries of electricity.

[Bielecki] Will the implementation of these plans not threaten Polish exports of coal, the value of which reached nearly $1.2 billion last year?

[Shpek] Ukraine will need Polish coal for a long time because the coal from Donetsk often does not have the same quality and cannot be extracted in a sufficient amount. Ukrainian power plants, particularly those from the western part of the country, will be interested in purchasing the less expensive and less distant Polish coal. The government certainly will not introduce any restrictions in this area, though it does not think that the current volume of imports will increase. However, the program for restructuring the power engineering sector creates great opportunities for Polish construction

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and power engineering companies. Not only ABB or Westinghouse will participate in its implementation.

[Bielecki] What will the fate of the Odessa oil terminal be?

[Shpek] The state no longer has money to continue this venture. Thus, to resume the work, a shareholding company has been set up in which only Ukrainian firms are participating so far. Countries producing oil should also be interested in constructing this terminal. I think that Saudi Arabia and Near East countries, as well as Iraq and Iran, will join this venture in the future. Russia, too, may become interested in this project because the terminal may be used to export Russian oil, as well.

[Bielecki] Are you satisfied with the economic cooperation with Poland, despite Ukraine's trade deficit and the mere few millions of dollars which Polish companies invested in Ukraine?

[Shpek] The example which your country sets in reforms, economic growth, and integration with the West is most likely more important than our direct economic cooperation. The millions of Ukrainians who visit Poland every year can see that a change in the economic system can actually improve living standards, and thus, are more willing to accept temporary sacrifices.

Ukraine: Canadian Firms To Exploit Rivno Diamond Find

MM1503161696 Moscow TRUD-7 in Russian 15 Mar 96 p 14

[Unattributed report: "Countless Diamonds..." — from the "Ukrainian Issue" section]

[FBIS Translated Text] Rivno — Diamond deposits have been discovered in northwest Ukraine which are of a similar quality to the world's most famous diamonds, from Yakutia. Rivno Oblast Administration has announced this. It will take about three years to put production of the diamonds on an industrial footing. But for the moment planning and exploration work is being carried out. Three Canadian companies — Prior Resources, Consolidated New Gate Resources, and Southern Era — have recently obtained exclusive rights to them. They are planning to spend $250,000 on drilling work this year, and up to $500,000 next year.

National Affairs

Ukraine: Kuchma Decree on Provision for Ministries

LD1403173596 Kiev UNIAN in Ukrainian 1320 GMT 14 Mar 96

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma has signed a decree confirming a provision on ministries and other central bodies of state executive power.

UNIAN learned at the president's administration that in their activities ministries are to be guided by the Constitution, the Constitutional Treaty, Ukrainian laws, parliament resolutions, presidential decrees and instructions, government decrees, resolutions, and instructions, as well as this provision. It determines the functions and rights of ministries and bodies of central state executive power in Ukraine.

In accordance with the provision, ministries' decisions are binding on central and local bodies of state executive power, local government bodies, and enterprises, establishments, and organizations irrespective of their form of ownership. The minister (manager) of the ministry or other state body of state executive power is to be appointed to the post by the president and bears responsibility for his actions to the president and government of Ukraine.

Ukraine: Communists Campaigning for Referendum on Change

MM1503111796 Moscow PRAVDA in Russian 12 Mar 96 p 2

[Report by Igor Lenskiy: "Font of Dashed Hopes. Mounting Workers' Protest in Ukraine to L. Kuchma's Policies"]

[FBIS Translated Text] Ukraine — Ukraine's Communists have collected 3 million signatures for holding a referendum on the main provisions of the Constitution. This large-scale operation carried out in all 25 of the republic's oblasts has kicked off a spring offensive by working people.

The Communists are proposing that the Ukrainian people decide where they stand on the key points of the new Constitution. The first group of questions applies to the socialist thrust of society's development and the preservation of the main social gains won in the years of Soviet power. What this means first and foremost is state-guaranteed rights to work and leisure, free education and health care, accessible housing, old-age provision, and protection for mothers and children. Three other questions relate to the realities that have emerged in Ukraine since the collapse of the Union. Is the presidency necessary today? What should Ukraine's state symbols be? Will Russian retain its state language status alongside Ukrainian? And, finally, the fifth question and one which is particularly topical at the moment: people's attitudes to a voluntary union of the independent states of the former USSR.

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The referendum plan was approved by the Ukrainian Supreme Soviet back in 1991 when the concept of the new Constitution was being discussed. Who other than the people should lay the foundations of their statehood? And the issues listed were those that were agreed. In 1993-1994, when campaigning for votes, the future President L. Kuchma actively supported the referendum idea.

Today the presidential team is insisting that the Constitution be immediately adopted in its entirety without extensive consultation with the people. Social rights and guarantees have been removed from the fundamental law, and all disputed points have been settled in favor of the bourgeois-nationalist minority. The Communist Party is being threatened with sanctions — up to prohibition — for collecting signatures allegedly in breach of a constitutional agreement. Well, all this has already been done, but it has brought no benefits to either the people or their rulers. "To all intents and purposes, the section of the population which openly opposes the antipeople policy being implemented by the authorities is being held to ransom," the statement by the Communist Party of Ukraine [KPU] Central Committee and Communist faction in the Supreme Council declares.

Leonid Kuchma's backpedaling from his election promises has prompted a hail of protests from working people unprecedented since the time of Kravchuk. Despite the authorities' assurances about stabilization and the positive consequences of privatization, it is obvious to everyone today that the level of prices in Ukraine is no lower than in Russia, yet average earnings are approximately half of Russian levels, pensions are four times lower, and grants are eight times lower! Even such low incomes for workers have to be wrung out of the government through campaigns by metal workers, machine builders, and agricultural workers. In January-February Ukraine was hit by strikes by the Donbass miners. Under this pressure from the workers the government indulged in tricks, increasing pay in some sectors in the short term at the expense of others. But on the whole the situation has not changed for the better. And the All-Ukraine Miners' Congress adopted a political resolution — to start collecting signatures advocating the president's resignation.

What next?

"Only we can look after our own future," Aleksey Baburin, first secretary of Zaporizhzhya KPU Oblast Committee, announced in a speech to shops at the Kommunar Motor Vehicle Plant. "We need to ditch the idea that everything will come right of its own accord, or that we will be able to survive these hard times somehow by relying on our truck gardens or by hawking stolen materials."

The "Your Plant" All-Ukraine Workers' Union has staged an action throughout the republic. Each enterprise had to make it clear why there were no orders. Why were wages not being paid on time? How many commercial structures operated at any given plant and how did the labor collective benefit from them? Where are the profits going to? At what price is output being sold — is it the market price, and is this profitable for the plant? Large workers' demonstrations have been held at the Bolshevik plant in Kiev, Yuzhmash in Dnipropetrovsk, and the Malyshev plant in Kharkiv. The main demand everywhere has been to switch to reform in the interests of working people and in the interests of the majority of the population.

Ukraine: Crimean Deputy Calls For Restoration of Russian Empire

LD1403133596 Moscow INTERFAX in English 1302 GMT 14 Mar 96

[FBIS Transcribed Text] Sevastopol, March 14 (Interfax-Ukraine) — Crimean Parliament deputy Aleksandr Kruglov, Chairman of the Russian Popular Veche (Assembly) of Sevastopol, has called on all city residents "to fight for the restoration of united and indivisible Russian empire" "at any cost, including force of arms."

Addressing city residents in Sevastopol Wednesday he declared: "Ukraine, like Sevastopol, is part of united Russia, and not a separate state".

He expressed doubt that the struggle for united Russia "will end peacefully, without bloodshed". As he put it, "a war will spark in Ukraine, not between Ukraine and Russia, since an overwhelming majority of the Ukrainians crave for a united state".

Speaking in an Interfax - Ukraine interview. A. Kruglov predicted that Gennadiy Zyuganov as Russian President would end the Black Sea Fleet splitting and some ships would be returned from the Ukrainian Navy back to the BSF [Black Sea Fleet].

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Belarus

Belarus: Lukashenka Issues Statement on Constitution Day

WS1403135296 Minsk Radio Minsk Network in Belarusian 1100 GMT 14 Mar 96

[FBIS Translated Text] Tomorrow is Constitution Day. On this occasion, President of Belarus Alyaksandr Lukashenka addressed compatriots with a statement. We quote from it:

The adoption of the Constitution has become an important stage in the history of statehood building of sovereign Belarus. The Constitution confirmed our democratic achievements, including such major ones as respect for human rights, pluralism, and elections of top officials. The Constitution was declared to be of major value to society and the state. The Constitution was the basis for the first presidential elections in the centuries-old Belarusian history, which elected the head of state and the chief executive in a nationwide and free suffrage, as well as for the elections of the Supreme Soviet, a parliament exercising legislative activity. A multiparty system has been formed, and is currently being improved, in the Republic. The freedom of speech, of the press, and of assembly have become a reality. The transformations in the political sphere, which were inaugurated by the Constitution, are followed by deep changes in the economy and spiritual life. Belarus today is a full-fledged participant in international life.

Emphasizing the everlasting importance of the Constitution for the Republic's development, it is necessary to have in mind that the Constitution does not complete the formation of Belarusian statehood, but only begins this process by opening new horizons before it.

Constitutions are created as a result of certain social and political needs. The constitutional mechanism cannot but improve under their influence. Global experience testifies to this. This experience teaches us that constitutions are worthwhile only when they harmonize with the rhythm of social and political life; when they serve the people, not the elites caring only about their own benefits. The slogan announced in the Constitution — we, the people of the Republic of Belarus, do adopt this Constitution [in the Preamble of the Belarusian Constitution] — should be a political and state reality.

The implementation of possibilities spelled out in the Constitution — with its main provision to use political mechanisms for building a prosperous economy and enhancing the people's wellbeing — is being used by certain forces to destabilize the current situation and to undermine the state's foundations. Only the people, being the only source of state power, can judge how the Constitution's provisions correspond to the existing realities and difficulties of the transition period. Only the people have the priority constitutional law to determine, by an expression of their will, what in the basic law has been outdated and what has to be changed or not changed. Only in the event when the people have the possibility to determine their destiny on their own can we say that the democracy announced in our Constitution is today's true reality.

I am deeply assured that the development of democracy, the strengthening of law and order, the transformation of our economy, and the enhancement of the people's wellbeing and culture have no alternative, since in the name of these noble goals we are jointly building our state, our common home, and our future.

Belarus: Lukashenka Meets With Kaliningrad Oblast Head

WS1503090596 Minsk BELAPAN in English 0820 GMT 15 Mar 96

[FBIS Transcribed Text] The chief of the administration of the Kaliningrad region Yuriy Matochkin was received by President Alyaksandr Lukashenka on March 14. They discussed a wide range of questions concerning cooperation between Belarus and this region of the Russian Federation. The parties agreed that the rapprochement of the two countries will favour the political and economic situation in Belarus and Russia. The Belarusian President pointed out that trade turnover between the Republic and the Kaliningrad region was on an increasing trend. He stressed that the mutual aspiration to closer relations would not be to the prejudice of Poland and Lithuania. "If it is advantageous for them to become our economic partners, let them join," Alyaksandr Lukashenka said.

Belarus: Belarus Seeks To Reinvigorate Ties With Yugoslavia

MM1403150896 Moscow PRAVDA in Russian 14 Mar 96 p 1

[Report by Oleg Stepanenko: "Belarus-Yugoslavia"]

[FBIS Translated Text] Minsk — "Belarus is fully determined to help Yugoslavia in the dreadful trouble in which this country's people have found themselves through no fault of their own" — these words from Alyaksandr Lukashenka during his talks with Federal Republic of Yugoslavia President Zoran Lilic in Minsk reflect the real changes in the economic ties between the two Slav republics. Yugoslavia will be offered considerable support, Lukashenka stressed, "not just in the form of shipments of civilian output but also

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output that should ensure Yugoslavia's inviolability and integrity."

The treaty on friendship and cooperation and the intergovernmental agreements in the sphere of the economy, trade, science, culture, and education signed in Minsk create a firm foundation for comprehensive friendly relations. In the near future it is intended to attain the former levels of reciprocal commodity exchange, which fell by a factor of 100 during the blockade of Yugoslavia. By mutual agreement Yugoslav and Belarusian diplomatic missions will be opened in Minsk and Belgrade respectively.

Belarus: Former Russian Missile Sites 'Threat' to Environment

WS1503100296 Minsk SVABODA in Belarusian 12 Mar 96 p 2

[Report by Mikola Vaytovich: "We Will Have To Pay for the 'Zero Option' All the Same"]

[FBIS Translated Text] President Lukashenka has renounced the Russian debt for enriched uranium in tactical and strategic missiles withdrawn from Belarusian territory, as well as the compensation of expenses for ecological studies and rehabilitation of former Russian missile bases. Now the Belarusian taxpayers will have to pay not only for Chernobyl, but also for the missile bases.

The Belarusian State University has conducted an analysis of ground water at a former missile base in Pastavy (the village of Kastsyani). Specialists claim that "according to the state norm, this water is not allowed for drinking or for economic use." It is heavily polluted with organic and mineral compounds, as well as suspensions. Nitric compounds, for example, exceed the permissible norms by a factor of two to five; suspended substances — by a factor of 230-3,180. The content of sulfates also exceeds the typical natural rate. Not only ground water but also soil at the missile base in Pastavy will have to be decontaminated. This requires large capital investments. In spite of this, the Ministry for Emergency Situations and Protection of the Population From the Chernobyl Aftermath is continuing with the construction of a lodge for children. Ditches are being dug across oil spills, thus making the decontamination of the territory more difficult.

Next in turn is a similar area of the Russian missile base in Ruzhany, Brest Oblast. At first, there was an attempt to pass this base to the Brest Oblast Executive Committee, but it had no money for rehabilitation. So the base was passed to Ivan Kenik's Ministry [for Emergency Situations]. As a result, the money for dealing with the Chernobyl aftermath will be spent on rehabilitation of the former Russian missile bases.

There is a threat of a new environmental disaster from thousands of tonnes of rocket fuel stored at the railway junction Masty, near Lida. A component of this fuel (melange oxidizer) is a very poisonous substance. A 10-minute stay at a container with the melange is enough to seriously burn one's lungs. According to Stanislaw Pilyuta, section chief of the Defense Ministry Scientific-Technical Committee, "the containers have already exceeded their operating lifespan and one may expect everything from them. A great number of them should either be subjected to capital repair or replaced by new ones." If the containers leak, then, according to servicemen, a cloud may form itself and descend on any village (the fuel is stored not far from three small settlements).

None of the servicemen could explain how it happened that this fuel had been left in Belarus. Stanislaw Pilyuta said that "Russia does not need this fuel because all of Russia's containers are full to capacity with this stuff and there is even no place to store it. The fuel left near Lida is largely substandard and cannot be used according for its purpose."

Belarusian scientists have created an experimental installation for processing the melange into a liquid nitrogen-calcium-magnesium fertilizer. The first six tonnes must be subjected to an environmental safety test. Subsequently, we will have to build a large experimental-industial complex. This program will require about 20 billion rubles from our budget. However, according to Pilyuta, "money is being transferred with great delays, even following a presidential directive, and subsidies are extremely irregular, a fact inadmissible in this case." Around 1,000 tonnes of fuel are to be burned with the help of U.S. technology.

For the time being, 80 platforms for SS-25 missile launchers has not been destroyed. It has proven impossible to blow them up; one will have to crush them in a mechanical manner. This will also require money, which cannot be drawn from the "zero option."

Belarus: Communists Declare Dissolution of USSR 'Criminal'

WS1503093096 Minsk Radio Minsk Network in Belarusian 0400 GMT 15 Mar 96

[FBIS Translated Text] The Communist faction has proposed to expand the agenda of the first session of the Supreme Soviet of the 13th convocation to include the issue of declaring the Belavezha agreements on the dissolution of the Soviet Union as politically mistaken

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and criminal. This was announced in the Belarusian parliament by the faction leader, Syarhey Kalyakin. He pointed out to his colleagues that in a referendum held five years ago 76.4 percent of the voters were in favor of maintaining the USSR as a renewed federation of equal and sovereign republics. The deputy emphasized that the Party of Communists supports the Belarusian president's steps toward integration with the Russian Federation. Only in a renewed union it is possible to progressively develop the Republic, Syarhey Kalyakin noted.

Moldova

Moldova: President Tells Defense Minister To Resign

LD1503095696 Moscow ITAR-TASS in English 0837 GMT 15 Mar 96

[By Valery Demidetsky]

[FBIS Transcribed Text] KISHINEV March 15 (Itar-Tass) — Moldavian President Mircea Snegur told Defence minister Pavel Creanga to resign because of property and financial embezzlements in the army, but the minister refused saying the motion was politically motivated.

The press service of the head of state said on Friday that Snegur accused the general of "failure to take the necessary measures to ensure the safe keeping of the property of the national army and the efficient use of budget appropriations".

Earlier, Snegur told the parliament that property and state appropriations were being embezzled in the army.

The defence minister reacted quickly saying his resignation was "impossible" and that the accusations of the president were "ungrounded and declarative".

The general believes his resignation is necessary for the "forces which oppose the position of the minister who does not allow the interference of the army in politics".

Local observers believe the conflict between the president and the defence chief was caused by the struggle for power in view of the presidential elections to be held in December.

The constitution does not allow the president to dismiss the defence minister without the consent of the premier and to appoint a new one without a parliamentary approval.

Observers believe the presidential proposal to dismiss the defence minister would hardly be backed by the ruling Agrarian party as its actual leader and Prime Minister Andrei Sangheli is now a political opponent of Snegur.

Moldova: Adviser on Proposal To Denounce Treaty With Russia

LD1403205696 Moscow INTERFAX in English 1834 GMT 14 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] CHISINAU, Mar 14 (INTERFAX) — Petru Dascal, the Moldovan president's foreign policy adviser, told a briefing in Chisinau Wednesday that his recent proposal to denounce the treaty on principles of relations with Russia reflected his personal point of view which was not agreed upon with President Mircea Snegur.

He refuted his own statement that Russian Foreign Ministry experts allegedly shared the opinion that the treaty, so far ratified only by Moldova, must be denounced. "There have been no formal consultations with Russian Foreign Ministry officials on the issue," he said.

According to Dascal, the press has made a big fuss about the proposal. "The Moldovan president regards it as a result of the internal political struggle and denies that his advisers seek to destabilize relations with Russia on the eve of important meetings between the two countries' leaders," he said.

He expressed hope that the Russian State Duma will soon discuss the ratification of the treaty, the additional protocol to it and the agreement on the pullout of Russian troops from Moldova.

He said the wish is expressed in a recent letter from Russian President Boris Yeltsin to Mircea Snegur.

In the letter Yeltsin also proposed to hold a meeting between the two countries' top officials to sign an intermediate agreement which would establish the basic principles of Transdniester settlement, he said. "The work on such a document is already under way," said Dascal.

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Kazakhstan

Kazakhstan: Nazarbayev on Eurasian Union, Integration

964F1436A Moscow ZAVTRA in Russian Feb 96 No 9, p 3

[Speech by President of Kazakhstan Nursultan Nazarbayev at the Russian Academy of Sciences, with introduction by Aleksandr Prokhanov; date not given: "'From the Soviet Union to the Eurasian Union': Sensational Statement of the President of Kazakhstan"]

[FBIS Translated Text] The catastrophe of 1991 and the "Belovezha carnage" are, as before, destroying the existence of a 300 million-strong, even recently united people, engendering incalculable tragedies, and deforming the life of one-sixth of the globe. The forthcoming presidential elections in Russia are putting this tragedy at the center of the election campaign. Yeltsin, the culprit of the catastrophe, feels this problem to be a gaping hole in his side. Not knowing how to justify his "Belovezha crime" and powerless to divert the public consciousness from this pain, which will not heal, he, maneuvering on the eve of the elections, is tossing in a "quasi-union project," the idea of the unification of Belarus, Kazakhstan, and Russia on a new level higher than the CIS. Lukashenka's present visit to Moscow testifies to this. Nazarbayev's recent statement, sensational in its own way, delivered in the Russian Academy of Sciences deals with this same subject. The conclusion of such an agreement on the eve of the elections could change the legal and political background in Russia and contribute to the postponement of the elections or, on the other hand, if the elections are held on schedule, influence the electorate, demonstrating Yeltsin's will to the restoration of the Great State.

It was this that attracted political scientists, journalists, and diplomats to the conference hall of the Academy of Sciences, where President of Kazakhstan Nursultan Nazarbayev set forth his views on a Eurasian Union.

The newspaper ZAVTRA, the successor to DEN, rightly considers itself the first to have returned to the political consciousness the concept "Eurasianism," interpreting it as an ideology capable of motivating the aspiration of the Slav and Turkic peoples to live under the aegis of a united state and to combine in a single developing potential the resources of the expanses, mineral resources, space, transcontinental communications, intellects, and types of national cultures which, operating in harmony and complementing one another, would create a unique vector of the development of mankind and embellish it with the values traditional for our peoples—justice, harmony, and knowledge of God.

Nazarbayev, a brilliant politician who combines in himself the traits of a Soviet technocrat, highly experienced party, Asian, Turkic leader, and, simultaneously, leader of a multinational, half- Slav, republic—Nazarbayev is by the attributes of his personality open to the complex interaction of the Eurasian peoples. He was the first to take this idea from political clubs and intellectual laboratories to the state and political level. While not yet in command of new political and national techniques for super- integration, he opted for an authoritarian variant of rule, believing that it was possible in precisely this way to keep under control the contradictions of disintegrating peoples and territories. Having inherited a unique Soviet civilization of cosmodromes, nuclear test ranges, metallurgical giants, and "cities of the future" and seeing how this civilization was becoming decrepit and breaking down before his eyes, he could not fail to aspire to the reconstitution of ties to Russia—the ties that will make the rotors of the giant turbines turn and drive current through enormous power systems and bring back prosperity to the agrarian and industrial regions. Governing a state composed of Kazakhs and Russians, Slavs and Turki, he cannot fail to feel the scorching breath of billion-strong China, which knows how to assimilate underpopulated land and to swallow up the peoples inhabiting it without trace. While endeavoring to create a particular Kazakh nation, he cannot fail to sense the futility of this attempt, for Russians on both sides of the Russian-Kazakhstani border would never recognize it to be justified and legitimate but as having artificially torn apart the Russian people, as having torn apart the great Eurasian space.

It was for this reason, evidently, that he was the first to announce for all to hear from the rostrum of the Russian Academy the forthcoming March agreement of Russia, Kazakhstan, and Belarus marking a new level of convergence—the election of a supranational parliament and the creation of an executive supranational institution with specific command authority.

Being a cautious pragmatist who understands the laws of electioneering and the techniques of campaign bluffs, Nazarbayev replied to the question of a ZAVTRA representative as to whether the publication of this idea was not a here-and-now opportunist subterfuge:

"What I fear most is that integration once again be taken up for the sake of elections. I am sure that

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this is being done not for the needs of the election campaign and that the Russian leadership has given much agonized thought to this decision for it is prompted to this decision by the lessons of Russia itself."

We pay close heed to this guarded answer. We reserve the right to interpret in our way Yeltsin's campaign intentions. And, with profound respect and affection for the Academy's guest, we call on President of Kazakhstan Nursultan Nazarbayev.

Speaking 18 months ago, in October 1994, in the Academy of Social Sciences here and, before this, at Moscow State University, immediately following the Moscow meeting of heads of state, I shared my opinions of the integration prospects within the CIS. As you will recall, the draft Eurasian Union was not adequately received at that time. At the same time, on the other hand, nor was it categorically rejected. This has been the prevailing attitude for the two years since the publication of this draft. The position of many politicians has altogether reminded me of the old bureaucratic saw: On the one hand, it is good, on the other, you can never be too careful. I remain, as before, a supporter of the integration of the post-Soviet space. In formulating my vision of integration two years ago I was by no means laying claim to the exclusive realization of all the proposals of the draft immediately and understood full well that all were not ready to support it there and then. I was motivated by two considerations. The first was to collate in a single whole the most realistic proposals for the further development of integration that had appeared simultaneously in countries of the post-Soviet space. The second was to interrupt the pause in the activity of the institutions of the CIS, which had already dragged on in unseemly fashion. I believe that I was able, for all that, to accomplish both these objectives. The draft of the formation of a Eurasian Union that had been proposed evoked a whole wave of publications in the news media. Debate and conferences in scholarly circles of countries of the Commonwealth and also of the far abroad. If I am not mistaken, more than 500 articles devoted to this draft have appeared in the press of CIS countries, and several major international conferences have been held. The draft was included on the agenda of the October 1994 meeting of CIS heads of state which was held in Moscow. In the past two years Commonwealth countries have gotten going on many problems, including the formation of the Interstate Economic Committee and, finally, the conclusion of the Customs Union. Since we signed a treaty on the creation of a customs union with Russia in January of last year, Belarus has become a subscriber also.

I would like to say that a number of the trends noted in the draft, both negative and constructive, have unequivocally been confirmed. The draft said clearly that the CIS cannot be the sole form of integration in the post-Soviet space and that the formation of regional and sectoral associations was essential. Time has borne out the soundness of this approach, and we are witnessing the formation of such integration forms. I will mention if only the Customs Union of the three states and the Central Asian Union. Last year Kazakhstan abolished customs borders with Russia. And in December the president of Russia adopted a similar decision. The same thing happened subsequently with Belarus, about four months ago. I have to report to you that in these six months alone commodity turnover between Russia and Kazakhstan has grown 47 percent, and between Belarus and Kazakhstan, 32 percent. Together with this our state is taking part increasingly actively in major international organizations in the West and in the East. For example, Kazakhstan is taking part both in the work of the OSCE and in the Economic Cooperation Organization, which includes, as you know, Turkey, Iran, Pakistan, and the Central Asia states. But this is not preventing us being supporters of the integration of the post-Soviet space and regarding it as a priority objective. I believe, as before, that the prospective nature of the integration processes will be based on the platform that is outlined in model form in the draft Eurasian Union. Why am I sure of this? The impetus given almost two years ago is bearing fruit. No fewer than three countries will, I believe, be joining the Customs Union very shortly. The operation of the Interstate Economic Committee has become more objective in this period. A process of the formation of integration nuclei on a regional basis, in Central Asia specifically, is under way. But none of the critics sees a simple fact: This is an integration knot within a large subsystem of the CIS. Within, not in another system. The signing by nine countries of the Collective Security Treaty and a multitude of bilateral agreements, specifically, the Russian-Kazakhstani agreement on simplified citizenship, cannot be underestimated. Kazakhstan, Uzbekistan, and Kyrgyzstan have joined the Central Asian Union, which is of a purely economic nature. A Central Asian Bank has been formed, and each state initially contributed $3 million. For these $9 million it has become possible to obtain credit, and this Central Asian Bank is now financing 17 new projects out of the 51 we are preparing. The first production effort for all three republics was the start of the manufacture of instruments for measuring gas and water, which are being supplied to all the states.

But the current times inexorably have their particularities and are creating new political and economic realities. Among these are the diminishing structural con-

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nectedness of the national economies of the CIS countries, the growth of autonomous, frequently diametrically opposite, economic interests, the different type of economic reformations, the significantly differing political landscape, and the growing division of cultural values. Not to see these processes is once again to occupy an ostrich-like position, and an attempt to overcome these objective trends by a volitional decision would be even greater madness. Some figures who suddenly awoke and instantaneously became supporters of integration have once again, unfortunately, missed the train. They are failing to take account of the fundamental changes that have occurred in each country of the Commonwealth as a whole in recent years. Nonetheless, it is essential in this post-Soviet reality also to find the optimum version of the development of integration. We recall the events of two and three years back. The republics of the CIS were hoping to the last for continuation of the ruble area. We found ourselves in a very adverse economic situation at that time: the rapid inflation of the young national currencies, the inadequate grasp of methods of macroeconomic stabilization, a prostrate industry, the vagueness of the privatization programs, the unprecedented social tension, and the collapse of supply lines. This picture was characteristic of all the states. But we preferred at that time to walk apart, with tremendous additional difficulties, largely by way of trial and error, and often in isolation. But the majority of CIS countries nonetheless passed the low point of economic decline and mastered the levers of financial stabilization. Industrial policy was revitalized, and there was a qualitative improvement in the commodity backing of the market. New partners and new economic interests could not have failed to have appeared in this complex process. The integrity of the economic structure of the post-Soviet space is today of an order of magnitude lower. The specifics of the reformation in different countries pulled legislation wide apart to a large extent, particularly in the economic sphere. Legal integration has become considerably more complicated, and political dynamics in the CIS countries are also of a vari-directional nature. Does this not preclude the actuality and possibility of a new impetus in integration? I am sure that it does not. But before speaking about a new strategy of integrationism, I would like to share with you certain observations concerning integration mythologems of recent times. Despite certain dramatic, frequently objectively predetermined changes in the public consciousness, the integration stereotypes of the political elites remain, as before, in that same narrow spectrum. They may conditionally be distinguished as national-traditionalist, restoration, and liberal. As far as the romantic-liberal, mellow picture of an accelerated entry into a Greater Europe or Greater Asia is concerned, the answer is clear in the lapidary formula: No one was waiting for us there. A lengthy process, not without prospects, but forced acceleration and the idealization of partners in the developed world are inappropriate. Unfortunately, these naive approaches played their negative part, frequently predetermining inappropriate priorities.

National-tradition ways of resolving problems grow out of emotionally understood, but politically inadequately considered ideas. What is, however paradoxical, a source of inspiration for part of the intelligentsia on the one hand and the most marginal part of the populace on the other is based on two erroneous foundations. First, on the postulation of the strategic balance that was demolished at the end of the 1980's even. All power thoughts are at least five years behind the times. Second, real national interest, political included, should be based on a sober consideration of the interests of all forces. In my view, it is more important for all of us to determine our position as regards all strategic problems of national security than to seek out potential conflicts in relations with our friendly countries. It is altogether incomprehensible to me how with the existence of highly serious problems of a long-term national nature it is possible to advance to the fore the problem of all kinds of boy-soldier troops. Emotions, national included, are not the best conduits of integration.

The social-restoration model of integration, granted its outward effectiveness, is based on the substitution of one proposition for another. A certain tilt in the direction of the socialization of economic policy is inevitable, but it cannot be confused with the formation of the former statehood. The left renaissance in East Europe is being combined very harmoniously, incidentally, with the preservation of the foreign policy and, yes, domestic policy course of its liberal predecessors. So it is essential to analyze the situation, not substitute the geopolitical for the socioeconomic model. This is understood among the most respectable politicians of the left spectrum in our CIS countries also.

In my view, it is a realistic understanding of integration prospects which not only the political but also the intellectual elites lack today. Yet a realistic assessment makes it possible to draw a number of fundamental conclusions:

The integration of the entire post-Soviet space in a more constructive formation than the CIS is problematical in the immediate historical future. The most promising idea at the present time is that put forth two years ago in the draft Eurasian Union—the idea of two-speed multi-stage integration. It is a question of adopting a different strategy. Instead of an integration that is frontal

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and standardized and for this reason doomed to fail, to take the path of an integration that is more local in the geographical sense and more emphatic in the sense of choice of spheres of policy coordination. Especially since the recent experience of "perestroyka" undertaken by the center in accordance with uniform standards without, as we all remember, regard to the regional, national, economic, social, and political specifics of the republics showed the futility of a standardized approach to global problems. The standardized approach does not permit consideration of the interests of each state of the CIS, especially since we have already negotiated a certain stage of the development of our own statehood and the shaping of new economic relations and foreign policy. In addition, in these years the countries of the former Union state have separated even more, and in terms of the indicators of basic economic development also. To speak of some universal outlines of unification under these conditions is objectively to undermine what we have already achieved in the economic reforms. We should be in no fear that a group of states that will outstrip in its development the other countries will emerge. World history shows that in any integration association there are leaders leading the other countries. Consequently, the idea of two-speed, multi-stage integration would make it possible to take account most adequately of both national interests and the interests of the Commonwealth as a whole.

It is essential to honestly make up our minds to the fact that countries that are relatively close in terms of type of economic transformations and living standard should be at the center of the integration. No one is prepared at this time to allocate serious funds for surmounting a socioeconomic gap. There are very many domestic problems, and there is as yet simply not the money for substantial financing for pulling up those that are trailing behind. But it is essential that we look for ways to tackle this task also. When we began to form the Customs Union and began to study what kind of state would be suitable for it, those most advanced in economic reforms were Russia and Kazakhstan. It is essential for integration that each state undertake to equalize legislation and the progress of the reforms, otherwise integration is impossible.

Today the integration center could begin to take shape via the mechanism of the triple Customs Union, which already exists. Painstaking work and the rapprochement of tax legislation, customs legislation, and other legislation is essential here. It is high time that we switched from politicized to pragmatic priorities. The Customs Union, which could be the basis of a new approach to integration, cannot be enlarged on the basis of political priorities. It should be built on the basis of economic interests.

The biggest danger in real integration are the calls for the use of force, especially power attempts at reintegration. I recently had occasion to speak about this at the meeting of CIS heads of state, and I would like to explain my position to you also. We cannot imagine what we call the post-Soviet space as some phoenix that will once again arise from the ashes. Permit me to cite one economic association. The death of the Aral Sea was determined not only by anthropogenic factors but also by the fact that the peak of economic activity coincided with the low point of the natural fluctuation of the level of the sea. Such is one hypothesis, at least. What occurred on the territory of the former USSR was the imposition of two connected, but at the same time autonomous processes. The intrinsic crisis of the social system and fundamental geoeconomic, geocultural, geotechnological, and, finally, geopolitical changes. Were the problem, for example, to consist only of the intrinsic crisis of the system, the attitude toward the post-Soviet space as a temporarily mothballed colossus would be correct. But this is not the case. The fragmentation of this territory is too deep. The proposed power versions of reintegration, therefore, are a nostalgic model leading to real bloodshed for the sake of the creation of a temporary utopia, but by no means a stable structure.

Let us ponder the goal set by the people proposing a restoration of the USSR. That it simply should not have been pulled apart is different matter. We have addressed this subject. What do we want to restore? The Brezhnev period? But the disintegration of this form of statehood was predetermined by the domestic economic stagnation also. To return to the system that suffered a devastating and insulting defeat in the economic competition with the world? That maimed thousands of young lives in the Afghan war? Perhaps we want to return to "socialism with a human face"? But this also is impossible because the trend of the sovereignization of the republics against the background of the paralysis of power, which in its attempts to hold on convulsively resorted increasingly to the armed suppression of its people, was growing even then. And I do not believe that we will permit a return to Stalinism with its genocide and repression.

The experience of effective integration on the threshold of the 21st century means primarily levers of cultural and economic influence. Replacing them with outwardly effective but archaic means is extraordinarily risky. The history of Russia of the 20th century shows two models: Both the monarchical and the totalitarian models signified the failure of the national organism. The Russian people and state remained, but the system,

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which had brought about crisis, crumbled. I believe that the Russian people will have sufficient wisdom to create a renewed, economically strong Russia. The reforms that have already been pursued in Russia by the great transformers of both the 19th and 20th centuries have shown the colossal possibilities of this vast country, which has real potential for becoming a world growth point in the 21st century. Such a Russia would be the leader of transformation and voluntary integration throughout the post-Soviet space not by virtue of archaic notions of grandeur but owing to the real economic locomotive role of Russia throughout the Eurasian super-continent. In addition, I am convinced that certain countries outside of the present CIS also could become new points of attraction to such a Russia.

A precise strategy and clear goals are essential. The maximum goals should be visible with the utmost clarity. If they are rejected from considerations of principle, we do not need empty slogans about integration. For me there are also transparent goals of a real integration unification at this stage. A single market, single in the sense of the absence of any technical tax borders erecting a barrier to the unrestricted movement of goods, capital, and manpower. Are we ready for so maximally clear a goal or not? We need to make up our minds here, not wander around in fine-sounding slogans about our glorious past. To what extent are individual states ready for a common market? How would it be reflected in the competitiveness of the national economies? How would it be reflected in people's living standard? How would it be combined with the security of the state? It is to this that an answer needs to be found.

An essential condition of real integration is recognition as a priority direction in foreign policy of the interaction of the states of the Commonwealth. This priority should be expressed not in political campaigns for domestic use, from one set of elections to another, but in practical action for aligning unifying systems: economic, cultural, and political. There arises in this connection the fundamental question of choice of criterion or group of criteria determining the content and thrust of post-Soviet integration in the immediate historical future.

Against the background of this situation the slogans concerning restoration of the USSR containing a threat to national sovereignty are moving our countries even further away from one another. Irrespective of the will and desire of the conservative forces, sovereignty is a reality, and no state intends to give it up. I know this. Power integration could sharply alter the foreign policy reference points of our states and direct the vector of integration efforts into other spaces of the CIS, which is what sometimes happens. The true supporters of integration, who are using this idea for purposes other than political publicity, today recognize that the process of civilized, progressive integration should move in parallel with and even complement the consolidation of a state's national sovereignty. Such integration is a synonym for stability and security. This is indicated by the lesson of North America and other formations.

Thus briefly summarizing the traditional disintegration trends on the territory of the former USSR, I shall mention the following features. Individual elements of the draft Eurasian Union have been reflected in new institutions of the CIS. The development of a new integral approach to integration on the Eurasian territory should be based on a mechanism of two-speed, multistage integration. Power reintegration, which could have temporary prospects, but would quite swiftly lead to even greater disintegration, having created even more fragmented entities than today's CIS states, represents the greatest danger. This applies to Russia also. An indication of the fragmentation of the post-Soviet space is the growing civilization heterogeneousness of the territory of the CIS.

In the future integration will be determined by a fundamental answer to the question of the extent to which the partners are prepared to agree to the formation of a single market space.

What has been said dictates the need for the creation of a new integral picture of the integration model. The time has come for the fundamental development of a draft called "Integration 2000." I propose that scholars of the Academy of Social Sciences embark together with my experts on the work on this specific draft, enlisting fellow thinkers from all countries of the CIS. I believe that appreciable success could be achieved in 1996 in a joint understanding of integration in our states' analytical institutions. This is important in the practical sense. Despite the numerous statements, there is as yet no conceptually developed and coordinated vision of all the dimensions of integration from which actual politicians could derive arguments. This development could be started in the spring of 1996. I also am a supporter of a realistic approach to integration.

But realism does not mean pessimism. No, we cannot idealize the situation or arbitrarily change the new realities but nor can we sit on the shore, passively contemplating the course of history. There will be no integration without the political will. The most powerful integration union in Europe has had a checkered history also.

Creating the European Community approximately 40 years ago, the West European countries aspired via the surmounting of interethnic discord to the creation

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of a united Europe. The movement toward a united Europe was concretized by the Maastricht Treaty in February 1992 in the form of the following outline: from a customs union to a common commodity market and to a single internal market with the unrestricted movement of goods, services, capital, and persons. Then to economic and currency union and, finally, to political union. An important condition of successful progress toward a united Europe was the formation of the legal base of integration and a system of common institutions partially of an interstate and partially of a supranational nature. Certain powers constituting part of the sovereign rights of the individual members of the European Union were delegated to these institutions. It is this feature that most distinguishes the European Community from all other integration-type associations created in various parts of the world.

We have had much discussion on this topic and we have for the first time, under the leadership of the Russian president, agreed to draft a treaty on an extension of the economic and humanitarian integration of Belarus, Kazakhstan, and Russia. It will be open to all.

The objective is to prepare for the second stage of the Customs Union and begin the development of a payments union with the prospect of arriving at a single money equivalent. To conclude an energy union. To conclude a transport union. To create an interparliamentary committee and a council of heads of state, whose executive bodies are delegated specific powers for the solution of questions and problems.

If this happens and we can in March truly sign such a treaty, open to all, this will mean that almost 70 percent of the economy of the territory of the former USSR will be united. I know that Kyrgyzstan, Uzbekistan, and, perhaps, some of the Caucasus republics could accede to this.

And once again the question: What will we call ourselves? The Economic Eurasian Union. This idea has a big future. For my part, I would like to appeal to you for a continuation of this work, noble, promising, and strategic, for the good of our peoples and states, for the good of their traditional historical centuries-old friendship, and for the good of posterity.

Kyrgyzstan

Kyrgyzstan: FBI To Cooperate in Fight Against Crime, Drug Trafficking

LD1403190396 Moscow INTERFAX in English 1709 GMT 14 Mar 96

[FBIS Transcribed Text] BISHKEK, Mar 14 (INTERFAX) — The U.S. Federal Bureau of Investigations is interested in cooperating with Kyrgyz law- enforcement agencies in the fight against organized crime and drug trafficking, an FBI official on a visit to Kyrgyzstan told a news conference in Bishkek Thursday.

Stan Nye said U.S. experts will conduct training seminars for officials from the Kyrgyz Interior Ministry and National Security Ministry, the tax police, the Prosecutor General's Office and customs, where they will speak about methods used to combat organized crime and drug trafficking.

According to Nye, certain changes must be introduced into Kyrgyz laws to make them compatible with international standards.

He mentioned information exchange, the opening of an FBI office in Kyrgyzstan, assistance in education programs and seminars for law-enforcement officials among the possible forms of cooperation.

Kyrgyzstan: Agreement Signed With Russia on Power Engineering

LD1403172896 Moscow INTERFAX in English 1308 GMT 14 Mar 96

[FBIS Transcribed Text] BISHKEK, March 14 (INTERFAX) - Kyrgyzstan's Deputy Prime Minister Amangeldy Muraliyev and head of Russia's Unified Energy System Anatoliy Dyakov signed a protocol on cooperation in power engineering in Bishkek on Thursday.

The agreement makes it possible for Kyrgyzstan to join Russia's Unified Energy System. It also provides for cooperation in forming joint ventures for the production, transfer and distribution of electricity, for joint investment in power engineering, and for the joint development, designing and construction of power plants.

Speaking after the agreement-signing ceremony, Muraliyev said that cooperation will be mutually beneficial. Water power engineering is the only industry enabling Kyrgyzstan to export its water power resources, he pointed out.

Kyrgyzstan: Kyrgyz Chamber Russian-Language Resolution

LD1203174296 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1630 GMT 11 Mar 96

[FBIS Translated Text] Resolution of the Assembly of People's Representatives of the Supreme Council of the Kyrgyz Republic concerning the proposal to make amendments and addenda the constitution of the Kyrgyz Republic to give Russian the status of an official language.

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Having heard and discussed information about the Russian language, the Assembly of People's Representatives of the Supreme Council of the Kyrgyz Republic resolves that:

1. Since the decision of this matter is within the power of the Supreme Council of the Kyrgyz Republic, and the law on the Kyrgyz state language was passed at a session of the Supreme Council of the Kyrgyz Republic, the holding of a referendum on the question of giving Russian the status of an official language should be deemed inexpedient.

2. The following phrases should be introduced to make amendments and addenda to the constitution of the Kyrgyz Republic: the words "of the Russian and" [orus jana] following "use" [ishtoosu] in paragraph two of Article Five should be excluded. Paragraph two of Article Five should have the following words added: "Russian should be deemed an official language along with the Kyrgyz state language in territories and workplaces where Russian-speaking citizens of the Kyrgyz Republic predominate, as well as in spheres of activity where scientific and technical progress are achieved by using the Russian, in the health service, natural and technical sciences, in learning foreign languages, and so on".

3. In line with paragraph three of Article 96 of the Constitution of the Kyrgyz Republic, the Assembly of People's Representatives of the Supreme Council of the Kyrgyz Republic should submit the second paragraph of this resolution to the consideration of the Constitutional Court of the Kyrgyz Republic to make a ruling.

Turkmenistan

Turkmenistan: Pakistani, Turkmen Foreign Ministers Meet

LD1403214096 Moscow ITAR-TASS in English 1926 GMT 14 Mar 96

[By Lyudmila Glazovskaya]

[FBIS Transcribed Text] ASHGABAT March 14 (ITAR-TASS) — Pakistani Foreign Minister Sardar Asif Ahmad Ali arrived in Ashgabat on Thursday on a brief working visit. The visit is taking place in the framework of bilateral agreements on permanent consultations between Pakistan and Turkmenistan.

During the talks with Turkmen Foreign Minister Boris Shakhmuradov the sides exchanged opinions on the situation in the region which affects the interests of both sides and primarily, on the problem of the internal Afghan settlement and development of the inter-Tajik dialogue. The Pakistani minister informed the Turkmen side about the results of his recent trips to a number of Western countries and the United States during which he outlined the Pakistani leaders' stance on this problem.

Both sides stressed their interest in the soonest settlement of all conflicts hampering large-scale programmes of economic partnership and stressed the importance of giving a new impetus to UN efforts in their peacekeeping functions in the region.

The Turkmen foreign minister said in an interview with Itar-Tass that in the run-up to the Ashgabat summit of the Organization for Economic Cooperation the visit to Ashgabat by the Pakistani foreign minister acquires a particular significance. The visit is even more important because recently, efforts have been considerably stepped up to put into reality projects for the transfer of Turkmen energy carriers to South Asian markets, and, primarily, to Pakistan via the Afghan territory. This was promoted by a recent visit to Ashgabat by Afghan President Rabbani, recent talks with managers of the Russian "Gasprom" joint stock society and the US "Unocal" company and the Turkmen president's visit to Tehran and Ankara by the president of Turkmenistan.

On Friday, the Pakistani Foreign Minister will meet Turkmen president Saparmurat Niyazov.

Turkmenistan: Ashgabat Backs Gas Pipeline to Europe Via Iran

LD1403221896 Moscow INTERFAX in English 1709 GMT 14 Mar 96

[FBIS Transcribed Text] ASHGABAT, March 14 (PIA) — Turkmenistan still backs the plan of laying a Turkmenistan-Turkey-Europe gas pipeline via Iran, Deputy Turkmen Oil and Gas Industry Minister Gochmurad Nadzhanov told an international conference on oil and gas projects in Ashgabat on Thursday.

This pipeline plan was coordinated in 1994 by the inter-state council involving Turkmenistan, Iran, Russia, Turkey and Kazakhstan that was created specially to help build this project.

At the same time, the minister admitted that some foreign companies, including the Turkish Botas, had prepared several routes for laying a pipeline to Turkey, including along the bottom of the Caspian Sea, and via territories of former Soviet republics.

"We, however, are loyal to the understandings reached and back the Iranian version," said Nadzharov.

The pipeline's capacity will amount to 28 billion cubic meters of gas a year, out of which 15 billion cubic meters will belong to Turkey, and 13 billion to European countries, he said.

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The project has started construction. The first stage of laying the pipeline up to Iran has been almost completed. Iran will finance 80 percent of all works to be carried out on the territory of Turkmenistan, while Turkmenistan will fund 20 percent.

Uzbekistan

Uzbekistan: Pakistani Foreign Minister Holds Talks With Uzbek Leaders

BK1503030596 Islamabad Radio Pakistan Network in Urdu 1500 GMT 14 Mar 96

[FBIS Translated Text] Foreign Minister Sardar Asif Ahmad Ali left for Ashgabat, ending a two-day visit to Uzbekistan. In Tashkent, he held two rounds of talks with Uzbek President Islam Karimov and Foreign Minister Abdulaziz Kamilov, in which regional and international issues, as well as bilateral matters were discussed in detail. Sardar Asif Ahmad Ali briefed the Uzbek head of state and the foreign minister on the dangerous situation in South Asia, which has arisen as a result of India's massive nuclear and missile programs and its atrocities and violations of human rights in occupied Kashmir. The two sides expressed satisfaction over the current state of Pakistan-Uzbekistan relations and future prospects, and noted identity of views on regional situation and current disturbances in Afghanistan.

Uzbekistan: Karimov, Pakistani Foreign Minister Discuss Relations

LD1403174696 Tashkent NARODNOYE SLOVO in Russian 14 Mar 96 p 1

[FBIS Translated Text] On 13 March, Uzbek President Islam Karimov received the Pakistani Foreign Minister Sardar Aseff Ahmad Ali who is in our country.

During the meeting, Islam Karimov said that mutual relations between Uzbekistan and Pakistan were developing consistently. Regular mutual consultations between our countries on political issues, which have become the tradition, are of particular importance in this respect, the president said.

Sardar Aseff Ahmad Ali stressed that strengthening bilateral relations opens new perspectives for mutual beneficial cooperation between our countries, and added that the government of Pakistan was ready for further development of trade and economic relations with Uzbekistan.

Issues relating to bilateral relations between Uzbekistan and Pakistan — trade and economic relations and regional cooperation — were discussed during the meeting.

Sadyk Safoyev, state adviser to the Uzbek president, and Foreign Minister Abdulaziz Komilov took part in the reception. Shafqat Ali Shaikh [name as published], ambassador extraordinary and plenipotentiary of the Islamic Republic of Pakistan in our republic, also attended the reception.

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Armenia

Armenia: Armenia Applies for Council of Europe Membership

LD0803152396 Moscow ITAR-TASS in English 1444 GMT 8 Mar 96

[By Igor Shchegolev]

[FBIS Transcribed Text] PARIS, March 8 (ITAR-TASS) — Armenia applied for membership of the Council of Europe (CE). Its office in Strasbourg on Friday received a message from Armenian Foreign Minister Vagan Papazyan containing the application. Armenia received "special guest" status in January.

Armenia is the eighth former Soviet republic to apply for full membership. Earlier, Russia, Ukraine, Moldova and the Baltics were admitted. Belarus, enjoying "special guest" status, is awaiting admission.

Applications from Azerbaijan and Georgia for "special guest" status are under consideration, sources in the CE told Tass.

The CE was established in 1949. It consists of 39 member states. Its objective is to facilitate their economic and social progress and uphold principles of parliamentary democracy and respect for human rights in Europe.

Armenia: IMF Managing Director Comments on Visit to Armenia

NC1403190496 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 14 Mar 96

[FBIS Translated Text] IMF Managing Director Michel Camdessus and Armenian Prime Minister Grant Bagratyan held a news conference today. Here is a report by our colleague Armen Vardanyan:

[Begin recording] [Vardanyan] Mr. Camdessus noted in his opening statement that this is his first visit here to demonstrate support for Armenia. Armenia joined the IMF soon after gaining independence. Since then, the representatives of this international organization have been paying visits to Armenia. Mr. Camdessus indicated that his visit is historic in that cooperation between Armenia and the IMF is continuing successfully. Mr. Camdessus said: At present, we are launching a new program in Armenia in connection with the IMF executive council allotment of $150 million in credits to Armenia recently. This program aims to further stabilize the situation. It will constitute the foundation for Armenia's economic growth and prosperity. Mr. Camdessus also underlined the importance of the cease-fire, noting that economic growth could be possible only under conditions of durable peace. He also noted the importance of his meetings with the Armenian president and prime minister.

Mr. Camdessus and Prime Minister Grant Bagratyan then replied to reporters' questions. To my question if the credit policy towards Armenia is not inordinately tough, he replied:

[Camdessus in English fading into translation provided by Vardanyan] Your country needs financial resources and budgetary discipline to solve the problems it faces. Great resources are needed to meet your needs. I have in mind primarily the restoration of the educational and health sector and of the infrastructures. Budgetary resources are needed to accomplish that. We are helping your prime minister and parliament. [end recording]

Armenia: IMF Director Voices Support for Economic Reforms

LD1403231196 Moscow INTERFAX in English 2043 GMT 14 Mar 96

[FBIS Transcribed Text] YEREVAN, Mar 14 (INTERFAX) — International Monetary Fund Managing Director Michel Camdessus told a news conference in Yerevan Thursday that his first visit to Armenia is a sign of support for the reforms carried out by the Armenian leadership.

An IMF delegation headed by Camdessus arrived in Armenia on March 13 in connection with a $148 million loan provided to the country in February under a three-year ESAF program.

According to Camdessus, the loan, to finance economic restructuring, will lead to sustained economic growth and prosperity and contribute to financial stabilization and the restoration of the balance of payments. He said the program is aimed at further development of reforms in Armenia.

"I hope that the three-year program currently under way in Armenia will so improve the country's standing that by the end of 1998 Armenia may not need IMF assistance," he told Interfax.

Armenian Prime Minister Grant Bagratyan told the news conference that the loan is provided at an IMF record-low rate of 0.5 percent a year. According to him, the systemic adjustment program is aimed at stabilizing the country, "and the government will take all measures to carry it out."

Bagratyan said the 1996 budget figures for taxes and revenues will be completely met and monthly inflation will total 14 percent. He expressed confidence that the budget deficit, which "currently totals 7.5 percent of the GDP, will be significantly reduced by the end of the year."

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Armenia: IMF's Camdessus Warns of Possible 'Donor Fatigue'

NC1503123296 Yerevan SNARK in English 1538 GMT 14 Mar 96

[FBIS Transcribed Text] Yerevan, March 14 (SNARK) — Michel Camdessus, IMF Chief Managing Director, stated today at the American University of Armenia that the IMF Board of Governors decided to give Armenia another credit of $150 million.

Camdessus noted over 50 IMF missions that visited Armenia in the last few years helped stabilize the national currency, re-organize the Central Bank and Finance Ministry as well as improve the activity of state statistical services.

According to Camdessus, a three-year cooperation program has been drawn up and endorsed together with the Armenian Government. Within three years Armenia is to conduct structural changes. He stated special attention was focused on details of economic development for three years and guidelines of finance-economic policy were approved. However a number of serious problems should be s ed, emphasized Camdessus. A rather big budget and foreign trade deficits that should be cut to 4 percent from 10 percent of GNP and to 12 percent from 26 percent of the payment balance respectively are among them.

Camdessus warned that assistance from the Armenian diaspora and international organizations can stop owing to so-called donor fatigue. Armenia ought to count on exclusively itself. To help Armenia in this respect, the Enhanced Structural Adjustment Facility program has been offered and the IMF is to release funds to implement it. The program will enable to improve the financial situation and boost business activity. To pay back the credits, Armenia should speed up the privatization process, make the banking system more effective and thus stimulate free enterprise and increase home savings.

Armenia: Ter-Petrosyan Receives Russian Deputy Foreign Minister

NC1403155796 Yerevan Armenia's Radio First Program Network in Armenian 1500 GMT 14 Mar 96

[FBIS Translated Text] The Armenia presidential press service just reported that President Levon Ter-Petrosyan today received Boris Pastukhov, the first deputy foreign minister of Russia, and his delegation. The delegation arrived in Yerevan from Stepanakert, where it held talks with the leadership of the Nagorno-Karabakh Republic.

The results of the first visits, held within the framework of shuttle diplomacy, examined ways of peacefully settling the Azerbaijani-Karabakh conflict. The meeting was also attended by Armenian Foreign Minister Vahan Papazyan, Armenian president's chief adviser Zhirayr Liparityan, Deputy Foreign Ministers Vardan Oskanyan and Eduard Zuloyan, and other officials.

Armenia: Ter-Petrosyan, Russian Mediators Discuss Nagorno-Karabakh

LD1403222096 Moscow INTERFAX in English 1709 GMT 14 Mar 96

[FBIS Transcribed Text] YEREVAN, March 14 (INTERFAX) — Armenian President Levon Ter-Petrosyan and Russian negotiators led by Deputy Foreign Minister Boris Pastukhov met in private in the Armenian capital, Yerevan, on Thursday to discuss how to resolve the Nagorno-Karabakh conflict as part of Moscow's shuttle diplomacy in the region, a presidential source in Yerevan told Interfax.

However, no word was given of the details of the meeting.

The source said Armenia was ready to help in every way toward Moscow's efforts at bringing a final solution to the regional conflict.

However, he said it was up to the warring sides to decide whether or not to sign a political agreement.

He said Yerevan thinks the negotiating process is now close to a breakthrough.

The Russian team has already held negotiations with Karabakh officials in Stepanakert. It will now head from Yerevan to Baku.

Azerbaijan

Azerbaijan: IMF Director Meets With Aliyev, Holds News Conference

NC1303150996 Baku TURAN in English 1400 GMT 13 Mar 96

[FBIS Transcribed Text] Baku/13.03.96/TURAN—"We did not conduct concrete negotiations with President Aliyev, we have only coordinated our next steps", Director of the International Monetary Fund, Michel Camdessus, said last evening [12 March] during Baku's press-conference after meeting with President Aliyev.

"You have done a great job over the past time, in particular inflation rate is decreased from 50 percent per month to 2.5 percent, the situation in industry have been stabilized. It fills us with confidence that your administration can continue economic reforms and the IMF intends to assist to Azerbaijan in that".

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Speaking about forthcoming tasks, Mr. Camdessus noted that the Government must start privatization of 8,000 small enterprises, moreover, it is necessary to adopt the appropriate legislative basis "for entrepreneurs do not depend on any Minister".

"If the program of credits within the framework of Stand By is successfully implemented, we are ready to pass to three-year mechanism of credits — ESAF program (extended crediting of structural reconstruction). These credits are allotted on more advantageous conditions and for longer term". Mr. Camdessus said. ESAF credits totalling $250 million are planned to be granted to Azerbaijan.

Asked how the living standards will affect implementation of reforms, Mr. Camdessus said the IMF together with the World Bank intends to provide appropriate support to socially vulnerable people of Azerbaijan.

Mr. Camdessus has acknowledged the intention of the IMF and the World Bank to provide required resources for restoration of Azeri regions destroyed by the war.

It should be noted that visit of Mr. Camdessus coincided with the beginning of privatization of gasoline filling stations. The President of the National Bank Elman Rustamov said the first gasoline filling stations auction is to start March 26, 1996, the starting price is $50,000.

Yesterday President Aliyev issued the decree to abolish the fixing of benefits on the scale of minimum wages. This decree also simplifies conclusion of foreign economic agreements and liquidates the state commission for control over foreign economic activities.

Azerbaijan: Aliyev Briefs Newsmen on IMF Loans Pledge

LD1303143996 Moscow INTERFAX in English 1150 GMT 13 Mar 96

[FBIS Transcribed Text] BAKU, Mar 13 (INTERFAX) — The International Monetary Fund has pledged loans to Azerbaijan to support its privatization drive and economic reform, Azerbaijani President Geydar Aliyev told journalists on Tuesday after his talks with IMF Managing Director Michel Camdessus.

Camdessus and Aliyev agreed to work out and implement a joint three-year program to boost the development of the Azerbaijani economy.

The program, which will be developed jointly by the IMF and the Azerbaijani government and backed by IMF easy-term credits, will aim at creating an institutional framework for privatization, including legal and organizational principles to ensure the freedom of action for enterprises.

Camdessus declined to name the specific amount of the credits to be extended to Azerbaijan.

However, Azerbaijani Minister of Economics Samed Sadykov told Interfax that the talks focused on an enhanced structural adjustment facility (ESAF) of about $270 million which may be granted to Azerbaijan "on very easy terms for a period of 30 years at 0.5 percent per annum."

In a broader context, the program will cut back the government and the bloated bureaucracy which dictates actions to enterprises, the IMF leader said.

One of the priority tasks is to step up the privatization of the banking sector, for a modern economy cannot function without it, he noted.

He also stressed the need to modernize the social welfare system for the benefit of the most vulnerable sections of the population, adding that the IMF will provide assistance in this work together with the World Bank.

Camdessus said that the IMF has been impressed by the progress made by Azerbaijan over a relatively short period of time, including bringing inflation down from 50 percent to 2.5 percent per month in 1995.

Among other issues discussed with Aliyev, Camdessus named the return of refugees to their homes and the rehabilitation of the war-torn industry.

The IMF realizes that the implementation of these tasks will require the assistance of the entire international community within the next three to four years. The IMF is prepared to help Azerbaijan with its reforms on the most preferential terms, Camdessus said.

Azerbaijan: U.S. Delegation Holds Talks in Baku, Leaves for Yerevan

LD1403123196 Moscow ITAR-TASS in English 1208 GMT 14 Mar 96

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU, March 14 (ITAR-TASS) — The second round of Azerbaijani-U.S. talks, which had been started late on Wednesday [13 March] night immediately after U.S. Deputy Secretary of State Strobe Talbott arrived here, was held on Thursday behind closed doors.

It became known to the Itar-Tass correspondents that high-ranking diplomats and experts of the two countries, who met in the office of Azerbaijani President Geydar Aliyev on Thursday morning, expressed their points of view on ways to settle the Karabakh conflict. On the whole, the viewpoints come to the need to intensify the

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negotiating process within the framework of the OSCE [Organization for Security and Cooperation in Europe] and direct talks between Azerbaijan and Armenia.

According to available information, the two sides also considered various aspects of the American and Russian plans for a settlement of the Armenian-Azerbaijani conflict. They emphasise d the lack of particular difference between the two plans. Speakers also said that Russia and the United States as two great powers could become guarantors of peace in the region, peace which may set in this year.

Various aspects of Azerbaijani-U.S. cooperation were also touched upon during the closed-door meeting, confidential sources reported.

At about mid-day on Thursday, at the close of the talks, the U.S. delegation left by air for Yerevan.

Azerbaijan: Aliyev Approves of New U.S. Proposals on Nagorno-Karabakh

LD1403213696 Moscow INTERFAX in English 1806 GMT 14 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Geydar Aliyev has expressed approval of recent U.S. proposals on the settlement of the Azerbaijani-Armenian conflict over Azerbaijan's Armenian-speaking enclave of Nagorno-Karabakh.

The proposals were set out in a message from U.S. President Bill Clinton that Aliyev received several days ago.

At a meeting in Baku with U.S. deputy Secretary of State Strobe Talbott and Clinton's deputy national security adviser Sandy Berger, Aliyev said he accepted Clinton's initiatives "with satisfaction" and was ready for their "immediate detailed discussion."

The Azerbaijani president said his American counterpart's message put forward proposals not only on the settlement of the conflict but also on the further development of relations between Azerbaijan and the United States, including their cooperation in projects to develop offshore oil fields in the Caspian.

Talbott and Berger said they had been sent to Baku by Clinton himself. Berger said the U.S. administration wanted "lasting and strong peace" in Transcaucasia. Washington is satisfied that economic cooperation between the United States and Azerbaijan "is growing stronger from day to day," he said, adding that this especially applied to the Caspian oil projects.

The United States is also concerned about Azerbaijan's humanitarian problems, Berger continued. "After I saw the life of Azerbaijani refugees, it became clear to me that America must help those people," he said.

Talbott, for his part, said Washington saw its current dialog with Azerbaijan as a followup to tete-a-tete talks which Clinton and Aliyev had late last year during festivities in New York to mark the 50th anniversary of the United Nations.

Aliyev, Talbott and Berger discussed Clinton's message behind closed doors, but a source in the Azerbaijani president's office said the U.S. leader might have offered to pressurize Armenia to make "certain concessions" in the Nagorno-Karabakh issue if Baku gave "strong guarantees" to U.S. companies involved in oil projects in Azerbaijan.

The Americans "are very concerned" about their participation in the projects, the source said. He said an early solution to the Nagorno-Karabakh conflict would provide one of the "geopolitical guarantees" for the success of the projects, which, he said, were of strategic importance to the United States. The source also suggested Washington was trying to take the wind of the sails of Russian diplomacy, whose efforts in Transcaucasia are "far more active and better considered" now than before.

Still another reason for more frequent contacts between Baku and Washington is that "it has become totally clear" to the United States "that in dealing with Aliyev they deal with a powerful leader who is able to tackle any problem."

It should therefore be expected that the United States will soon begin to build up its humanitarian assistance to Azerbaijan, the source said. The U.S. congress is also "coming closer" to abolishing a 1992 amendment to the Freedom Support Act which "cut off channels for (U.S.) governmental assistance to Baku." "I think that's a matter of the next few months," the source said, speaking about the possible abolition of the "discriminatory decision."

Azerbaijan: Aliyev, Russia's Pastukhov Discuss Karabakh Settlement

LD1503000396 Moscow ITAR-TASS World Service in Russian 1522 GMT 14 Mar 96

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Translated Text] Baku, 14 Mar — Russia wishes to ensure genuine progress in settling the Armenian-Azeri conflict and help the parties to approach the

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signing of such treaties that will put an end to the long dramatic standoff. This was how Boris Pastukhov, Russian first deputy foreign minister, outlined Russia's mediatory role at a meeting with Azeri President Geydar Aliyev today.

Upon his arrival in Baku after political consultations in Yerevan, Pastukhov said steps taken by Russia were complementary to the work of the OSCE [Organization for Security and Cooperation in Europe] and its Minsk group for Nagorno-Karabakh. Pastukhov said the Karabakh problem will be one of the main topics at a meeting between Russian Foreign Minister Yevgeniy Primakov and U.S. State Secretary Warren Christopher in Moscow on 20-22 March.

Pastukhov was confident that "some political ways of settling the problem will be found jointly."

The talks were held behind closed doors. Before the talks the Azeri president welcomed the fact that Russia and the United States were working together in this important direction. At the same time, he believes that the mediators should have more influence on the peacekeeping process in order to achieve tangible results after the 22-month truce that has been observed by the parties in the conflict zone. He is confident that this will in the end lead to a stable peace in the region.

Georgia

Georgia: IMF Grants Georgia $240 Million Credit

AU1403120596 Tbilisi MSGEPSI in Georgian 6-9 Mar 96 p 4

[Report by M. Tsereteli, M. Chikviladze: "Georgia Has Embarked on the Path of Extremely Radical Reforms"]

[FBIS Translated Text]

The Most Interesting Economic Event Last Week — Georgia Received a $240 Million Credit

On 29 February, a news conference was held in the State Chancellery in connection with the visit made by a government delegation to the United States. The group that traveled there had official talks with the IMF. The work progressed in a fairly fruitful manner for our country. The principal question concerned the allocation of a $240 million credit to Georgia. Georgia has fulfilled almost all the preconditions for this, ranging from preparing a plan for reforms in the educational sphere to the liberalization of the economy. Plans have likewise been drawn up for increasing energy subsidies and pensions in the social sphere. In addition, plans have been overfulfilled regarding the privatization of various enterprises.

The IMF session at which the question of allocating a $240 million credit to Georgia was discussed ended on 28 February. It was emphasized that the aid that had been allocated was not simply charity. They (and we also) hope that we will return this sum sooner or later.

They familiarized those in the United States with the reforms currently under way here (the law on commercial banks, the law on the ownership of land, and the privatization program) and, on this basis, the aid was promised.

Mr. Temur Basilia, the president's adviser on economic matters, was asked the following question: It turns out that Georgia has received this credit as an advance. What kind of mechanism exists for repaying this sum and will we be able to pay it off? Mr. Basilia replied that the $240 million would be received in quarterly payments over three years but, if Georgia does not meet a number of the conditions, the credit will be frozen until the obligations that it has assumed have been fulfilled. It should be said that the IMF grants similar aid to many other countries as well. To tell the truth, it is difficult to refuse this kind of aid especially in such economic conditions as Georgia finds itself in today. As regards the conditions, we have always fulfilled these and, hopefully, we will not break with this tradition.

Asked the reason for the fall in the lari [national currency] of late, Minister of Finance Davit Iakobidze replied that the exchange rate was formed on the basis of supply and demand for the lari and dollar. The situation today is indeed not alarming. The main thing is that it does not lose its initial position. In this respect, there is nothing dangerous at the moment.

As regards the deterioration of the economic situation in Georgia, it was said that the economic crisis was caused in the main by the energy crisis.

In response to a journalist's question about fare increases on the subway from 1 April, Mr. Papava [minister of economy] said that information sources are often mistaken and it is possible that this news likewise does not correspond to the truth.

The energy minister spoke about the question of restoring four hydroelectric power stations and power unit no. 10, for which purpose $30 million should be allocated.

It was emphasized at the conference that Georgia had embarked upon a path of extremely radical reforms and the factor of trust that the IMF had manifested toward Georgia was very important.

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Georgia: Shevardnadze's Visit to Moscow Previewed

LD1403213196 Moscow INTERFAX in English 1806 GMT 14 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] PEACE IN THE CAUCASUS WILL BE CENTRAL THEME OF SHEVARDNADZE'S MOSCOW VISIT

The central theme of Georgian President Eduard Shevardnadze's talks when he visits Moscow March 18-29 will be his new initiative for peace in the Caucaus, Georgian Foreign Minister Irakli Menagharashvili.

A Georgian delegation led by Deputy Foreign Minister Mikhail Ukleba has already arrived in Moscow to prepare for the talks.

Shevardnadze will ask Russia to sign the Declaration on Peace, Safety, and Cooperation in the Caucaus Region recently signed in Tbilisi by Shevardnadze and Azerbaijani President Heydar Aliyev, Menagharashvili said.

Shevardnadze will also be meeting with the Armenian, Turkish, and Iranian leaders about the declaration.

Reaction to the initiative might be "guarded," the foreign minister said, because the initiative contains "principles which may not suit certain political forces not interested in a peaceful settlement in the Caucasus." IF Note: Shevardnadze came forward with a proposal for a pact on peace, tentatively called "Peaceful Caucasus," to be signed by Caucasus governments, as well as Russia, Turkey, and Iran. The main principle of the document is respect for human rights and establishment of national borders accepted by the international community. Countries signing the pact promise not to block transport or other lines of communication in the region. The document also proposes the cooperation of Caucasus governments in protecting the environment, dealing with the outfall of natural catastrophes, and developing international tourism.

At President Shevardnadze's meeting with the President of the Russian Republic of Northern Ossetia Akhsarbek Galazov, a proposal was made for the leaders of Northern Caucasus and Trans-Causasian Republics, and Russia, to meet in Vladikavkaz to talk about implementing the Georgian initiative.

"People are tired of war and conflict, and dream of peace," Galazov said. "Any idea directed toward establishing peace and stability in the Caucasus will be welcomed by the people."

Shevardnadze, for his part, said that "all interested parties are moving toward an all-Caucasus dialogue, and the outlines of a peaceful Caucasus are becoming clearer."

Georgia: Turkish Official's Visit Marks 'New Stage' in Relations

AU1303154596 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 6 Mar 96 p 1

[SAKINFORM report: "The Beginning of a New Stage in Future Relations Between the Two Countries"]

[FBIS Translated Excerpt] On 5 March, a regular plenary meeting of the spring session of Parliament was held. It was devoted to the visit by a delegation of Turkish deputies headed by Mustafa Kalemli, speaker of the Grand National Assembly.

Mr. Mustafa Kalemli's visit to Georgia is his first since being elected speaker of the Grand National Assembly.

In his address to the Turkish deputies, Georgian Parliament Chairman Zurab Zhvania pointed out that the visit by the Turkish Parliament speaker to Georgia signaled, to all intents and purposes, the start of a new stage in future relations between the two countries.

Mustafa Kalemli, speaker of Turkey's Grand National Assembly, delivered a speech at the plenary meeting of the Georgian Parliament. He pointed out in particular that Turkey was proud of the relations that had been established between the two countries during the last four years. The aim of these relations was to serve peace, stability, economic cooperation, and regeneration and it was not directed at all against any third country. Relations between Turkey and Georgia have a firm foundation that has been laid through the creation of historic, cultural, and family ties between the peoples of the two countries. As such, the Turkish people and government attach great importance to giving the maximum support possible to Georgia as a neighboring and friendly country so that it can achieve success in the struggle for democracy and in the process of transferring to a free market economy, stated the Turkish guest.

He expressed the hope that the close relations and cooperation established between the speakers of both parliaments would bring our people and all deputies and political parties more closely together and that there would be continued cooperation between the Turkish and Georgian parliaments. The main thing is that the legislators of both countries are, first and foremost, indefatigably working to establish peace in the region.

The Turkish guest also broached the Abkhazian problem and pointed out that it was their desire that a legal and

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lasting solution to this problem, which should be found as quickly as possible, should be based on the principles of Georgia's territorial integrity and independence and the nonviolability of property and the protection of human rights.

Mr. Mustafa Kalemli shared his views with the Georgian deputies on current and future cooperation between the two countries and thanked them for their cordial welcome.

Then, the Georgian Parliament discussed the bill "on the system of protected territories" and adopted it at the first reading.

As is known, Georgian President Eduard Shevardnadze had submitted a candidate [former Procurator General Jamlet Babilashvili] for the post of procurator general to Parliament for approval. [passage omitted]

As a result of the vote — 152 in favor, 19 against — Parliament approved Jamlet Babilashvili as procurator general.

On the recommendation of the Supreme Legislative Bureau, Parliament elected Mr. Zaza Kandelaki as coordinator of permanent parliamentary delegations.

The meeting lasted until late in the evening.

Georgia: Interparliamentary Commission To Be Created With Turkey

AU1303162896 Tbilisi REZONANSI in Georgian 7-8 Mar 96 p 2

[Report by Giorgi Kalandadze: "Turkey Is Ready To Finance the Baku-Ceyhan Route"]

[FBIS Translated Text] On 5 March, the last day of his visit to Georgia, Mustafa Kalemli, speaker of Turkey's Grand National Assembly, held a press conference along with Georgian Parliament Chairman Zurab Zhvania.

As Zurab Zhvania pointed out, the members of the Turkish delegation are well acquainted with Georgia's economic problems. According to him, a special commission composed of parliamentarians from both countries will be created, which will meet several times a year. The Parliament chairman significantly assessed the deepening of relations within the framework of the Parliament Assembly of Black Sea Economic Cooperation.

The speaker of Turkey's Grand National Assembly stated that the Turkish parliament would present an initiative for the establishment of peace in the Caucasus. According to him, new ways are now needed to resolve the problems in the Caucasus. Asked how Turkey intended to cooperate with the Russian Federation in the matter of establishing peace in the Caucasus, Mustafa Kalemli answered that they should resolve together the problems of peace in the Caucasus. Turkey favors good-neighborly relations with all states. As for Turkey's interests, Mustafa Kalemli said that his country would protect these interests. With regard to the Chechen conflict, the speaker of Turkey's Grand National Assembly stated that this was already an international conflict and his country was in favor of a speedy settlement being found.

Turkey is one of those countries supporting the routing of an oil pipeline across Georgian territory. "The question of the Baku-Ceyhan route is very important for Turkey. Turkey's Bosphorous Straits are not ready and big oil tankers will not be allowed to pass through," pointed out Mustafa Kalemli. At the same time, he once again confirmed Turkey's willingness to finance the oil pipeline project in Georgia.

In addition, an air corridor will be opened between Georgia and Turkey. The first test flight took place on 4 March.

Georgia: Document on Settlement of S. Ossetian Conflict Signed

LD1403113196 Tbilisi IBERIA in Georgian 1055 GMT 14 Mar 96

[FBIS Translated Text] Moscow, 14 Mar — A document on the Georgian-Ossetian conflict settlement has been signed in Moscow. The document provides for restoring the status quo that had existed before the combat actions started [in South Ossetia] and South Ossetia's ascension to the status of a "republic" within a single Georgian federation.

Georgia: Georgia To Press Abkhazia 'Complaints' to CIS

MM1503102096 Moscow KRASNAYA ZVEZDA in Russian 14 Mar 96 p 3

[Report by Vitaliy Denisov: "Georgia's Parliament Will Examine Proposals by the Abkhazian 'Parliament in Exile' and Could Give Them the Form of an Official Statement at the Upcoming Meeting of Heads of the CIS States' Foreign Policy Departments"]

[FBIS Translated Text] Tbilisi — A session of the Supreme Council of the Abkhazian Autonomous Republic (in exile) has been held in Tbilisi and approved proposals to settle the Georgian-Abkhazian conflict. These include proposals to acknowledge genocide and ethnic cleansing against the Georgian population on the territory of Abkhazia, to proclaim the autonomy of the occupied territory, to sanction the arrest of Vladislav Ardzinba, to withdraw the Russian peacekeeping force

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from the region because of its "inability to prevent violence and to ensure the safety of peaceful residents in the conflict zone," etc. These proposals will be examined today, 14 March, at a special session of the Georgian parliament. The majority of them will most likely be supported by the Georgian legislators.

The proposals could be made public 16 March at the meeting of CIS countries' foreign ministers.

In the Georgian side's opinion, a serious discussion of the prospects of resolving the conflict is to take place at the meeting. The Republic of Georgia delegation already has a whole series of complaints against Commonwealth members. The Georgian leadership is indignant, for example, about deliveries of food and fuel to the "rebel" autonomous entity. Thus, 120 tonnes of flour and approximately 100 tonnes of fuel were imported into Abkhazia from Stavropol Kray, and a dry freighter delivered food from Turkey to the port of Sukhumi. Commenting on this information, Vakhtang Abashidze, the Georgian president's press secretary, declared that what is happening can only be regarded as a violation of the decisions of the Moscow meeting of CIS heads of state on the introduction of economic and political sanctions against Abkhazia. But observers associate the absence of exceedingly harsh assessments in this connection with the recent statement by Belarusian President Alyaksandr Lukashenka, who rated negatively the idea of an economic blockade of the autonomous republic.

Georgian politicians and military men are also concerned about some war preparations by Abkhazia. The leadership of the autonomous entity continue to oppose the "blue helmets'" withdrawal because they believe that if the peacekeepers leave the region Georgian armed formations will take their place.

Who will lose out if the peacekeeping force leaves the territory of Zugdidskiy, Galskiy, and Ochamchirskiy Rayons? Probably everyone. But most of all Georgia, which even in the peace talks will be deprived of the most important thing — the moral support of Russia and the other CIS countries — since a refusal to extend the peacekeepers' mandate signifies, one way or another, the abandonment of political ways of settling the conflict. In such a situation a flexing of muscles threatens to escalate into a new war.

This understanding affects the position of the "chief arbiter" in the protracted dispute between Sukhumi and Tbilisi. This position is, in general, simple. Russia is trying to sidestep Tbilisi's attempts to force it to resolve the region's problems for Georgia. This is on the one hand. On the other, Moscow is trying its utmost, by means of its "unyielding" approach, to force the Georgian leadership to soften its position in the talks with Abkhazia and thereby avoid a new armed conflict.

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Latvia

Latvia: Ulmanis: Latvia Cannot Remain Neutral in Modern World

LD1203214296 Moscow INTERFAX in English 1945 GMT 12 Mar 96

[FBIS Transcribed Text] RIGA, Mar 12 (Interfax/BNS) — Latvia cannot be a neutral state in the modern world, taking into account the lessons of the past and the current geopolitical situation, Latvian President Guntis Ulmanis told ambassadors from European Union and NATO countries in Riga Tuesday.

In particular, he said that Latvia has a very responsible approach to its movement towards NATO, presidential press office told the Baltic News Service.

"NATO enlargement is tantamount to forming an area of equal security. Latvia believes that each country has the right to seek adequate guarantees for its security. No country must build its security at the expense of the security of another country," said Ulmanis.

He stressed the need to "realize Russia's potential contribution" to the European security. "NATO offered Russia a special model of cooperation. Latvia supports such partnership and believes that such relationship must be rather open.

"We want to have relations with Russia as a neighboring country in the European sense of the term. They must be based on equality, mutual respect and understanding, democratic cooperation and principles of abiding by treaties," he said.

Latvia: Agreement With NATO on IFOR Operation in Bosnia

LD1103191796 Riga Radio Riga Network in Latvian 1800 GMT 11 Mar 96

[FBIS Translated Text] in Brussels today, Juris Kanels, ambassador extraordinary and plenipotentiary of Latvia to NATO, signed on behalf of the Latvian government an agreement with NATO on participation in the peace implementation operation in Bosnia and an agreement on the financing of the participation. The signing of these agreements was the last necessary precondition for the platoon of Latvian troops which is currently undergoing training in Denmark to be able to join the NATO-led operation in Bosnia within the planned timetable.

The agreements lay down the main principles for Latvian soldiers to join the Implementation Force operation. NATO has concluded similar agreements with other countries which are taking part in the peacekeeping operation in Bosnia.

Latvia: Defense Officials Meet With Swedish Naval Commander

WS1403132596 Tallinn BNS in English 1208 GMT 14 Mar 96

[FBIS Transcribed Text] Riga, Mar 14, BNS - Swedish Royal Navy Commander Vice Adm. Peter Nordbeck arrived Wednesday in Latvia for a two-day visit.

After a meeting with Nordbeck, Latvian Naval Force Cmdr. Gaidis Zeibots told BNS that they discussed cooperation as well as implementation of the Swedish assistance projects to the Latvian Naval Force.

Nordbeck also met with National Armed Forces Cmdr. Juris Dalbins and representatives of the Defense Ministry.

On Mar. 14, the guest plans to visit the Naval Force's Central District at Bolderaja.

Nordbeck is visiting the Baltic states for the first time. He has arrived in Latvia from Estonia, and will leave for Lithuania on Mar. 14.

Zeibots said that Latvia has close cooperation with Sweden. He noted that the Latvian Naval Force has similar cooperation ties with Germany, Denmark, Great Britain and the United States.

In the frames of cooperation with Sweden, which began in 1992, the Latvian Naval Force has received five coast guarding boats as well as mechanical workshops for their repairs.

More than 50 Latvian Naval Force representatives have attended different courses in Sweden, and six Latvians are studying in the Swedish higher military education establishments.

A project on the sea monitoring system has been drafted in conjunction with Swedish specialists, and implementation of the project has already been started. In 1995, a Sweden's donated radar station was installed in Jurmalciems and two more such stations will be set up in Latvia this year.

Latvia: Foreign Minister on Desired Relations With Russia

LD1503105896 Moscow ITAR-TASS in English 1017 GMT 15 Mar 96

[By Galina Kuchina]

[FBIS Transcribed Text] RIGA, Mar 15 (Itar-Tass) — "We wish to develop our relations with Russia in a European style," Latvian Foreign Minister Valdis Birkavs said in an interview with the DIENA newspaper, published today. "We should move towards Europe, but not

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at the expense of our relations with Russia. On the other hand, we should not move towards Russia at the expense of our relations with EC... I shall start an alarm, if the balance is upset."

Birkavs stressed that "Latvia has no territorial claims to Russia."

Latvia: Deputies Appeal to Russia on Chechen Self-Determination

LD1403180196 Riga Radio Riga Network in Latvian 1600 GMT 14 Mar 96

[FBIS Translated Text] Deputies of the Latvian Saeima are calling on Russian politicians (?to renounce) power in Chechnya and allow the Chechen people to really exercise their right to self-determination. The appeal was signed today by 55 deputies of (?various) factions in the Saeima. The document says that Latvia is not indifferent to Russia's [word indistinct] efforts to preserve its colonies. Our own country was once a victim of those (?efforts). The deputies believe that genocide against any nation is no longer merely an internal affair of the country.

Lithuania

Lithuania: President Brazauskas Interviewed

WS1203135996 Warsaw RZECZPOSPOLITA in Polish 11 Mar 96 p 6

[Interview with Lithuanian President Algirdas Brazauskas by Maja Narbutt; place and date not given: "We Are Living Through an Infantile Illness of the State"]

[FBIS Translated Text] **It has already been six years since the declaration of independence on 6 March [1990]. Today the realities and spirits are different. A large portion of society no longer kindles the initial enthusiasm. Aside from successes, particularly in foreign policy, Lithuania has internal problems. The Lithuanian press regularly reports on scandals and corruption.**

[Brazauskas] We are living through an infantile illness of the state. If it were only we who were afflicted with this illness, it would be a problem, indeed. However, a similar situation is taking place in other states which gained sovereignty. In the days of the struggle for independence, the Lithuanians did not realize how high the price of independence would be for the entire nation. This price is high, indeed: Governing the state and reforming the economy are very expensive from the social viewpoint. One has to instill respect for work in oneself. It is not true that everything will appear without effort. Nobody will give us anything for free. The world has promised us a lot, but the entire aid for Lithuania was a drop in the ocean. Unless there is a change in attitudes toward our state, we will continue to be poor. A state cannot be built over a month or a year.

[Narbutt] Do you think that Lithuania's independence is secure by now?

[Brazauskas] I do not see any threat to Lithuanian independence. It is always necessary to look at oneself first, then at others. We — I speak about Lithuania as the president responsible for its foreign policy — are trying to be "clean" so as not to give anyone any pretext for unfriendly actions, regardless of whatever state they may come from.

Thus, we are looking forward to a good climate in the entire region and to easing off tensions. One should take a realistic view of the international situation. It is true that Russian politicians are inclined to announcements intended to intimidate other states, but Russia has its own problems to solve. Let us assess reality as it actually is and not apply any invented theories to it. Let us perceive other states as partners in politics. I must emphasize here that they must be true partners, no matter how big or small a state may be. And one more thing: Lithuania's sovereignty cannot be subject to any compromises.

[Narbutt] The right-wing movement has treated you with distrust over the entire three-year period of your presidency. Actually, you must stand a test for patriotism all the time and prove that you are not going to betray Lithuania's interests.

[Brazauskas] This may be distressing, indeed. However, one must remember that the right-wing movement represents a considerable portion of Lithuanian society. It is a very difficult society. We have been divided by different destinies. There are those — a numerous category of people — who were in the Communist Party. There are also many people who suffered from the Bolshevik regime. They were in the gulag, deported to Siberia. This generation is still living among us. There is even a next generation which was born in Siberia. There is also the Church in Lithuania, which was persecuted by the political system, for which we — that is, the Party — worked. All these people may treat me with distrust, because before I became president, I had been a secretary of the Party which, according to the Constitution, was the "leading force."

It is not an easy task to be the president of all Lithuanians. In Western societies political divisions are not so deep. "Republicans" and "democrats" — sometimes it seems to me that these are trivial and childish political games. They surely do not have to

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choose between good and evil. As for Lithuania, Party careers were often connected with tragedies for other people, who were simply destroyed. Being the president in Lithuania is not so easy as being one in the United States. Therefore, I endure distrust toward me, or even hatred, with a kind of humility.

I am trying to soften the situation. I listen to people, meet with people. However, a lot of time must pass.

[Narbutt] In our part of Europe, the same process has been taking place for some time. After the fall of communism, the right- wing politicians were first to come to power. Subsequently — beginning from Lithuania — the left-wing politicians returned. Now forecasts in Lithuania say that the parliamentary elections in fall will be won by the right wing again. Is the same predicted for other postcommunist countries, too?

[Brazauskas] I try not to make forecasts. They are often misleading. The forecasts before the last parliamentary elections in Lithuania did not predict my party's victory at all. On the other hand, it was possible to predict this victory from observation of the former team in power. One must know how to rule, not only how to draft programs. One cannot ignore life and reality. The right wing made a mistake by merging politics and economy with ideology.

I do not think that some force in Lithuania may win a definite victory by now. There will be no clear, unequivocal situation — a crash of the leftists or a tremendous victory of the rightists. A coalition government will be formed. We, in Lithuania, are not used to coalitions, therefore this will be difficult. We will make more than one compromise. It is important for a government to include people who able to rule. Speaking frankly, parties other than the Lithuanian Democratic Labor Party do not have people with a lot of experience.

Besides, we in Lithuania, in the elite of power, know each other perfectly: who knows what and who is capable of what. There will be no surprises.

[Narbutt] You said that the left wing's greatest mistake was in merging politics and economy with ideology.

[Brazauskas] It was the former government which ruined the agricultural sector. Was it necessary to ruin collective farms — which were good in Lithuania and produced a lot of food — due to the fact that they were invented in the socialist system? Or maybe, due to the fact that they were managed by Party members? Did they ruin the agricultural sector because of this? These ruined possessions were of a socialist origin, but they were also ours, Lithuanian. One should look at them in this way.

[Narbutt] Polish-Lithuanian relations were never as good as they are now. As you maintain, they are so good for the first time in the entire history. Without doubt, this can be said about the 20th century. Could these relations regress if power in Lithuania was assumed again by the right wing politicians, who, while being in the government, were not able to settle relations with Poland?

[Brazauskas] If it happened like this, a great mistake would be made. We have built trust between the two nations: Poland and Lithuania. Well, everything is possible in life. However, I do not think that this could take place, that the right wing could bring its ambitions and prejudices to the forefront. People in power must primarily think about state interests, not about their inclinations and phobias.

[Narbutt] Are the good Polish-Lithuanian relations due to the fact that both Poland and Lithuania are governed by leftist forces?

[Brazauskas] I do not deny the importance of this fact. The Polish and Lithuanian leftist forces have been in touch for a long time. But a breakthrough in Polish-Lithuanian relations began earlier. This was a mutual striving of both states. We were able to reach an agreement with Lech Walesa, who surely belongs to a different formation. Jointly, we accomplished the signing of a treaty. Subsequently, he came to Lithuania — it was the first visit of Poland's president to Lithuania. All this already has its place in history.

[Narbutt] The world actually knows only two Lithuanian politicians: Lithuanian President Algirdas Brazauskas and Vytautas Landsbergis, who is imprecisely called former president, although he was chairman of Lithuania's Supreme Council. You and Landsbergis are like thesis and antithesis, like black and white. How can you characterize your rival?

[Brazauskas] Landsbergis is not my rival. He is more of a political opponent. We hold completely different opinions about life. We look at the same thing but see something different. I perceive certain political phenomena and processes in a completely different manner than Landsbergis does.

God knows where all these differences come from.... I have come from real life. I was always struggling with reality, working with people. I saw how people lived and what they wanted.

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Landsbergis's profession is quite different — he is a professor of musicology. We are of the same age, but completely different.

Lithuania: Economists Assess Lithuanian Shadow Economy

LD1403222396 Vilnius Radio Vilnius in English 2000 GMT 13 Mar 96

[Report by unidentified correspondent; including remarks by Elena Leontjeva, president of the Free Market Institute, and Eugenijus Maldeikis, head of the Economic Research Center — recorded, in Lithuanian fading into English translation]

[FBIS Transcribed Text] [Correspondent] Economists say that if shadow economy accounts for more than 50 percent of the total national economy, the government loses control over the country's industrial and cultural development. Preliminary research carried out in Lithuania suggests that there is a strong international aspect to Lithuania's shadow economy. The following details were provided by Rima Jakutyte.

There are two institutions in Lithuania that are directly involved in the European statistical project to analyze local shadow economies: the Lithuanian Department of Statistics and the Economic Research Center [ETC]. Eugenijus Maldeikis, who heads the ETC, points out that a well-developed shadow economy poses a serious threat to the country's economic and political system.

According to Mr. Maldeikis, if the shadow economy accounts for more than 50 percent of the country's overall economic system, the government can no longer regulate the country's industrial and economic development. The results of the research conducted by the Free Market Institute suggest that the shadow economy has already overstepped the 50 percent level in Lithuania. Elena Leontjeva is the president of the Free Market Institute.

[Leontjeva] Our analysis indicates that the shadow economy accounts for 30 to 55 percent in Lithuania's overall economy. The shadow economy has gained a very large portion of the local economic system. If no radical changes are introduced in Lithuania's taxation system in the near future, the shadow economy will continue to grow.

[Correspondent] Meanwhile Eugenijus Maldeikis says that such an analysis cannot be treated very seriously.

[Maldeikis] These results have been obtained through a questionnaire distributed among Lithuania's political elite. Meanwhile a reliable analysis should be based on economic facts, not personal opinions. A survey reflects a standpoint of high ranking political figures who speak with vigor of shadow economy in Lithuania. They regard rapid expansion of the shadow economy as a major problem.

[Correspondent] Mr. Eugenijus Maldeikis says that experts from the Economic Research Center employ monetary matters in their assessment of Lithuania's shadow economy. Their analysis is based on the so-called (Gutman) method. However, the results of the analysis are not yet final. Once again Eugenijus Maldeikis.

[Maldeikis] According to our calculations based on this method, the shadow economy accounts for 80 percent of Lithuania's gross domestic product. However, this figure is not accurate enough to be used for further research. Besides we are not sure whether the Gutman method can be applied in our case.

[Correspondent] According to Mr. Maldeikis, these figure constitute an intermediate point in the research process, therefore they should not be viewed as complete data. Nevertheless, they suggest that the current shadow economy in Lithuania is not of local origin and that it has been imported from other countries.

[Maldeikis] Our analysis shows that the local shadow economy is not an inside phenomenon. It's an international phenomenon although it does have some Lithuanian peculiarities. First of all, Lithuania's shadow economy feeds on export and import operations as well as on foreign trade.

[Correspondent] According to Russia's statistical data, about $8 billion were channelled from Russia through import operations last year while another $20 billion were legalized inside Russia. The fact that one third of Lithuania's exports are actually comprised of re-exported goods suggests that large sums of money are laundered through Lithuania.

Among the negative factors produced by the shadow economy are a disorderly financial system, disorganized competition, and social inequality.

[Maldeikis] Speaking of the negative social effects that stem from the shadow economy, we should focus on the fact that there are 200,000 jobless people in Lithuania who are not registered on the official labor exchange list. It means that these people are illegal workers who do not file their tax returns, although they are entitled to free education and medical treatment. Their social privileges are actually covered by other taxpayers. It also means that the shadow economy creates social inequality.

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[Correspondent] Mr. Eugenijus Maldeikis says that provokes corruption and lobbyism. He also maintains that the elimination of the shadow economy will be a slow and gradual process. The government must create a favorable economic climate, which would induce the private sector to operate in conformity with the laws. Public control [word indistinct] should be introduced to regulate the development of the country's economy.

According to Mr. Maldeikis, the process of creating a healthy economy has already started in Lithuania.

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